

City of Canton, Ohio

Comprehensive Annual

Financial Report

For the Year Ended December 31, 2008

Richard A Mallonn II

City Auditor

Prepared by the City Auditor's Office

City of Canton, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2008
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June 9, 2009

To Council Members and Citizens of the City of Canton

The Comprehensive Annual Financial Report (CAFR) of the City of Canton as of December 31, 2008 is hereby submitted. This letter and the following report represent the City's continuing commitment to excellence in financial reporting. The purpose of this letter is to acquaint the reader with the CAFR. Responsibility for both the accuracy of the data, the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the City's financial position and results of operations. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

City Organization and Background The City is located in and is the County Seat of Stark County in northeastern Ohio, approximately 58 miles southeast of Cleveland, 23 miles south of Akron, and 94 miles west of Pittsburgh, Pennsylvania. It was incorporated as a village in 1828, and became a city in 1854.

The City's 2000 population of 80,806 placed it as the largest city in the County and the ninth largest in the State.

The City operates under and is governed by the mayor-council form of government. The City operates as a Statutory Municipal Corporation as defined by the Ohio Revised Code.

The City's legislative authority is vested in a twelve-member Council of whom three are elected at-large and nine are elected from their respective ward, for a term of two years. The presiding officer is the President of Council, who is elected at-large by the voters for a two-year term. The President of Council is called upon to vote on legislation in order to break a tie vote. The Council affixes compensation of City officials and employees, and enacts ordinances and resolutions relating to City services, tax levies, appropriating and borrowing money, licensing and regulating business and trades, and other municipal purposes. The Council affirms, by resolution, the individuals appointed by the Mayor to serve on the various boards and commissions for the City. The City's chief executive and administrative officer is the Mayor, who is elected by the voters specifically to that office for a four-year term. The other elected officials are the City Auditor, the City Treasurer and the Law Director, each elected to a four-year term.

The Mayor appoints the directors of City departments other than the Income Tax Department. The major officials appointed by the Mayor are the Directors of Public Service and Public Safety, Chief of Staff, the Fire Chief, the Police Chief and the City Engineer. The Mayor also appoints members to a number of boards and commissions, and appoints and removes, in accordance with civil service requirements, all appointed officers and employees, except Council, Auditor, Treasurer and Law Director officers and employees. The City Treasurer appoints the Director of Income Tax who serves at his pleasure.

The Mayor may veto any legislation passed by Council. A veto may be overridden by a two-thirds vote of all members of Council.

Appointed and elected officials, except the members of Council, serve full-time.

City Services

General Government Functions: The City provides police protection, fire fighting and prevention, street maintenance and repairs, building inspection, parks and recreation. Funding for these operations is derived primarily from taxes in addition to small amounts of revenue generated from user fees. These operations could not be sustained without a steady flow of tax revenue.

Proprietary Operations: The City operates Water, Sewer and Refuse Departments. The revenue generated from all three departments was sufficient to meet all expenses in 2008.

Reporting Entity

The City has reviewed its reporting entity definition to ensure conformance with the Governmental Accounting Standards Board Statement No. 14 "The Financial Reporting Entity." In defining the City for financial reporting purposes, management has identified all agencies, departments and organizations making up the City of Canton the primary government and its potential component units. The City will present the Canton Community Improvement Corporation (CCIC) as a discretely presented component unit for the year 2008.

Neither the Canton City School District nor the Plain Local School District has been included in the accompanying financial statements. These districts serve the citizens of Canton; however, the boards are not appointed by the City, nor are they fiscally dependent on the City.

The City is associated with the Stark Area Regional Transit Authority, the Stark Council of Governments and the Stark County Regional Planning Commission as jointly governed organizations. Canton Tomorrow, Inc. and the Downtown Canton Special Improvement District are disclosed as joint ventures and the Joint Recreation District as a related organization.

Economic Condition and Outlook

Nine commercial banks and savings and loan associations are located in the City. One daily newspaper serves the City. The City is within the broadcast area of eight television stations and thirty AM and FM radio stations. Time Warner Cable provides cable TV services.

The City is home to a number of steel industrial manufacturers and suppliers. The City has benefited from the consistent financial success of the Timken Company. The City continues to benefit from the diversity of its business base including: Nationwide Insurance, M K Morse Company, Fresh Mark Food Distributor, Ironrock Capital Incorporated, Republic Engineered Products, Republic Storage, Detroit

Diesel, and Sunoco Phoenix to name a few. The continued success of these companies and others is essential in order to create a climate for financial stability.

The City has experienced a decrease in overall revenue for the General Fund of \$1,893,174. This represents the first net decrease in five years. In addition the City had a decrease in income tax revenue in the General Fund of \$895,419 for 2008. The speed and veracity of the 2008 financial system driven national economic down turn in the fourth quarter 2008 has led to a dismal financial outlook for 2009. The effects of federal reserves interest rate reductions in the fourth quarter of 2007 and throughout 2008 led to the net decrease in General Fund interest revenue of \$1,243,235 in 2008. The overall continued economic slow down leaves little potential for a rebound in interest revenue in the immediate future. As a result the City anticipates losing additional \$650,000 interest revenue in 2009. The only significant increase in 2008 General Fund revenue was from inheritance tax which showed an increase of \$461,409. Unfortunately this revenue stream is very inconsistent and should never be relied upon to fill budgetary shortfalls. The immediate economic future is unstable at best, the City's cash reserves will be exhausted as a means to soften the effects of continued lost interest and lost income tax revenue. The City had \$11,309,080 remaining of the \$15,850,000 in general revenue bonds issued in 2006 for the building of a new fire station, a new sewer collection facility, a new waste park and reconstruction of existing recreational facilities. These construction projects show continued governmental construction initiatives in the coming months. To overcome the current unstable economic climate, the City must continue to commit substantial resources to attract permanent industrial, retail, and service businesses to replace lost revenue seen in late 2007 and 2008.

In 2008, the Canton City School District completed its Design for the Future Program. The \$176 million seven-year project included nine new elementary buildings, one new middle school, and major renovations to almost all of the District's other buildings. Also in 2007, site work was completed on the \$35 million renovation project at the Timken High School Regional Campus. The Campus consists of six buildings and encompasses a ten-block area in the City's Downtown. It includes two outdoor amphitheaters, a student run restaurant, a satellite branch of the Stark State College of Technology, an Early College High School program, and a vocational high school program that offers a wide variety of career options. The City believes these major public works have dramatically improved the condition of the School District's facilities and will enhance the City's ability to attract families to the area.

Malone University, a private four-year college, is located in the City. Mount Union College and Walsh University, private four-year schools, Stark State College of Technology, a public two-year school, and a branch of Kent State University and Ashland University also are located in the County. Within commuting distance are several public and private two-year and four-year colleges and universities, including Kent State University in Kent and a branch of Kent State University in Tuscarawas County, Cleveland State University, Cuyahoga Community College, John Carroll University, Baldwin-Wallace College and Case Western Reserve University in the Cleveland metropolitan area, the University of Akron in Akron, the College of Wooster in Wooster, Hiram College in Hiram, Youngstown State University in Youngstown, and Lake College and Lakeland Community College in Lake County.

The City is served by two acute care hospitals located in the City: Aultman Hospital (682 beds) and Mercy Medical Center (476 beds), and two additional acute care hospitals located in the County: Alliance Community Hospital (204 beds) and Affinity Medical Center (451 beds). Massillon Psychiatric Center, a 157-bed public adult psychiatric hospital operated by the State, is also located in the County. In 2006, Aultman Hospital completed a three year \$80 million dollar expansion project, the largest in its history. The project included a new four-story 320,000 square foot addition that houses a new Aultman Heart Program, Emergency/Trauma Program, Women's Program (including Labor & Delivery) and the Neonatal Intensive Care Unit. In 2008, Mercy Medical Center became the first hospital in Ohio and just the second in the nation to be named an accredited Heart Failure Institute by the Healthcare Accreditation

Colloquium. Both Aultman Hospital and Mercy Medical Center continue to play a pivotal role in the financial stability of the City of Canton.

The Canton Park System maintains 61 parks and covers approximately 710 acres. In addition, the City constructed and owns the 5,700-seat Thurman Munson Memorial Stadium. The City's cultural assets include the Canton Art Institute, the Symphony Orchestra Association, the Canton Civic Opera Association and the Players Guild, all of which are housed in the Cultural Center (Center) for the Arts and host a variety of exhibits, musical and dramatic performances and other cultural events each year. The Center, a gift of the Timken Foundation, is a building complex located on 8-1/2 acres in the center of the City, which cost \$13,000,000 to build in 1971. Adjacent to the center is the City-owned auditorium, an air-conditioned arena-type facility with a seating capacity of 6,000. The Cultural Center and the auditorium accommodate conventions. The City's greater metropolitan area has approximately 37 hotels and motels with over 1,950 rooms.

The City's downtown is home to the National First Ladies Library housed in the former home of one time first lady Ida Saxton McKinley. The library presents a history of all the United States first ladies. In 2002, the Library added a \$5.5 million education and research center in the former National City Bank building located nearby the Saxton House. The renovations to the 110-year-old building were paid for through private donations and federal grants. The six story research center houses a 91-seat theater, meeting and exhibit rooms, research and reference materials and office space for the library personnel.

Also located in the City's downtown area is the main branch of the Stark County District Library. The library's main branch, 10 satellite branches, two bookmobiles and 2 kidmobiles serve 146,000 library cardholders from throughout the county. Holdings number more than 970,000 items and annual circulation is 4.05 million items. The collection includes books, audio-visual materials and periodicals. In addition, the Library provides programs and classes for all ages, computer and Internet access, inter-library loans, reference and genealogy services, traveling collections and outreach services to shut-ins, nursing homes and housing units. It is one of the nine largest library systems in Ohio and serves 12 local school districts.

The City is the home of the National Professional Football Hall of Fame, which attracts more than 200,000 visitors annually. In 2008, the Hall of Fame opened the Moments, Memories & Mementos Gallery and the Pro Football Today Gallery, which marked the completion of a two-year, \$3.6 million modernization project. The project upgraded previous exhibit space integrating it with the newest video, audio and lighting technology. Also in 2008, the Hall of Fame launched its first ever National Fundraising Campaign. The campaign's goal is to raise \$60 million over a five-year period that will be used to modernize and renovate the Hall of Fame facilities and expand its national outreach programs.

In 2006, the Pro Football Hall of Fame and the Canton City School District began a joint campaign to raise money to renovate the District owned Fawcett Stadium. The stadium is the home for two high schools, two colleges, the annual Hall of Fame game, the Hall of Fame Enshrinement Ceremonies, Ohio High School State Football Championship Games and numerous other events throughout the year. Money raised will be used for a multi-year project that will include structural repairs, a new west end scoreboard and video board, restroom renovations, north stands concourse expansion, a new press box and an outdoor plaza designed to connect the museum and stadium. Sufficient funds were raised in 2006 to install the new scoreboard and to begin the structural repairs, which were completed in 2007. In 2008, the north stands restroom renovation was completed and ground was broken on a new \$3.2 million dollar press box, which is scheduled to be complete in June 2009. The events held at the stadium each year dramatically increase tourism to the area. The renovation work is being done to ensure the future viability and sustainability of these events in the region.

The City is an industrial rail center served by the Norfolk & Southern Railway Company, Conrail, the Wheeling and Lake Erie Railway Company and CSX. 147 motor freight truck lines and local cartage haulers serve the Canton-Massillon MSA. Rail passenger service is available through the cities of Akron and Alliance by Amtrak. In 2003, Canton became a stop on the Cuyahoga Valley Scenic Railroad. The rail system is owned by the National Park Service and provides weekend excursions between Canton and Akron. Greyhound and other independent bus lines provide more complete passenger transportation.

The Stark Area Regional Transit Authority (SARTA), a separate political subdivision, provides daily public transportation in and around the City. The bus service initially was only a citywide service, but became a countywide system with the passage of a .25 percent county sales tax in 1997. The sales tax, renewed in 2002 and 2006, serves as the primary revenue source for SARTA. In addition to the sales tax, SARTA operations are supported, in part, from payments for contract services, State and Federal operating grants, and rider fares. In 2003, SARTA opened its roughly \$2.5 million Cornerstone Transfer Station, which included a 3,163 square foot customer service building in downtown Canton. In 2005, SARTA finished renovating its primary administrative and maintenance facility in Canton. The project was funded by grants from the Federal Transit Authority, the Ohio Department of Transportation, and the Ohio Public Transit Association. The renovations were needed to address the functionality and space issues in the old facility.

Interstate 77 (north-south) and two U.S. highways (U.S. 30 and 62) serve the City. The City is served by four state routes (S.R. 800, 43, 153 and 687).

The Akron-Canton Regional Airport (Airport), a cooperative effort of Stark County and Summit County (in and for which the City does not have any financial interest or legal obligations), has an operational area of 2,700 acres, most of which is located in Summit County, directly north of and adjacent to Stark County, on Interstate 77. The Airport has 40 daily departures on six airlines and had 1,469,196 customers in 2008, the highest ever in the airport's history. In late 2006, the Airport completed its 5-year \$60 million STAR Expansion Project which included extending runways, a new baggage claim area, a new food court, a new security screening area, enlarged gathering space, additional parking, and a terminal gate renovation that will allow the Airport to handle up to 1.6 million passengers annually. In 2007, the Airport invested \$10 million in a new deicing facility. In 2008, the Airport announced its new 10-year \$110 million capital improvement plan called CAK 2018. The plan will include a runway extension and border patrol facility to allow for international flights, expanded aircraft parking, expanded auto parking, a wider entrance road, expanded ticket wing, expanded security screening area, a new aircraft rescue and fire fighting maintenance facility, expand the concourse to allow for three more gates, and partner with the nearby City of Green for a new Industrial Park.

For additional information on the City's economic status and financial outlook, refer to the Management Discussion and Analysis starting on page 3.

MAJOR INITIATIVES

In 2008, the City annexed approximately 56.61 acres and continues to explore further annexation options.

A Downtown Special Improvement District (District) was formed in the City's central business area in 1997 by petition of a majority of the property owners. In March 1997, Canton City Council approved the petition and the District's articles of incorporation and initial services plan. The District has the authority to assess property owners for the cost of public services and improvements that specifically benefit properties and the District.

In 2004, the City chose to consolidate all of its previous community reinvestment areas into one area known as the Central Neighborhoods Community Reinvestment Area. The new area covers the City's central downtown business district, significant portions of the City's northeast and southeast quadrants, and portions of the southwest and northwest quadrants closest to the City's downtown. Residential properties in the Central Neighborhoods Community Reinvestment Area can receive 100 percent abatement per year for ten years on the increased value of all qualifying improvements, restoration or new construction. Commercial properties in the area can receive 100 percent abatement on the increased value of all qualifying, restoration and construction for the first 5 years and a 20 percent reduction per year over the remaining five-year period. The construction must be over \$50,000 for commercial projects and \$5,000 for residential projects to qualify.

The City has partnered with Historic Onesto LLC to convert a downtown city landmark into loft style apartments. This \$6 million joint housing project will provide a unique new housing opportunity in Canton's growing downtown. The City was able to secure a \$900,000 Clean Ohio Grant from the State of Ohio to provide funding for asbestos removal while Historic Onesto LLC will spend \$5.1 million on reconstruction and renovation. In 2007, the asbestos remediation was completed and the entire \$900,000 grant was spent. In 2008 the City supported a State tax credit application submitted by the property owner. The project was awarded a tax credit of \$1,450,800.

The City has granted a \$750,000 loan to Greystone Limited Partnership (Greystone) to assist in Greystone's plan to renovate a once thriving office building and parking facility. Greystone has committed \$7 million to establish 508 parking spaces, as well as refurbishing 300,000 square feet of office and retail space in downtown Canton. The facility opened for parking in 2007 and some office space was completed and occupied. The full scope and occupation of the facility has yet to come to fruition. The City continues to work with the owner to provide loans and incentives for the re-development of the building.

The City, in a joint venture with the federal government, has acquired land for the purpose of constructing a new Federal Campus in downtown Canton. This campus will eventually house various federal employees including employees from the FBI, Bankruptcy Court and IRS just to name a few. This joint venture will represent an investment in downtown Canton in excess of \$20 million before completion. The City invested over \$274,000 for site preparation and utility relocation. An official groundbreaking ceremony was held December 11, 2008.

The City has been fortunate to secure several Clean Ohio Assessment Fund (COAF) Grants and Clean Ohio Revitalization Fund (CORF) Grants for the cleanup of former industrial sites throughout the City. In all of the cases, the City is acting solely as a pass through for the grants and has no ownership interest in the properties.

The City received a \$372,000 COAF grant in 2004 to make an evaluation of the nature of environmental contamination at the former Bison Property. The goal is for it to again be used as an industrial site. Two companies, Abbott Electric and a sign company, are already located on the site. In 2007, the City was awarded a \$3 million CORF grant for site clean up. In 2008, the City entered into contract with a Certified Environmental professional to prepare the specifications and work plans for the clean up phase.

In 2005, a \$298,480 COAF grant was received for the study of the brownfield site at the former Stein Property to determine a suitable cleanup methodology. In 2006, a \$698,709 CORF grant was received for site remediation to develop the site as an industrial park. The first phase of the cleanup was completed in 2008. Preparation also was made for an industrial employer to locate on the site. An additional grant was submitted for the cleanup of the Lead Smelter building on the site.

In 2006, a \$284,733 COAF grant was awarded for the assessment of the former Hercules Engine Property to determine the scope of its environmental impact and to develop a methodology for site cleanup. In late 2007, the City was awarded a \$3 million CORF grant for remediation work on the site. The long-term goal for the Hercules Property is for it to become a multi use facility with a convention center, market rate housing, business space and retail space. Remediation work began in 2008 for the CORF grant. The City also supported a state tax credit application submitted by the property owner, which resulted in a \$34 million dollar credit.

In 2006, a COAF grant of \$150,320 was received for the assessment of the Canton Drop Forge Property. The goal is to make this property viable as an addition to the Hercules project previously mentioned. In 2008 the City applied for a CORF remediation grant for this project.

In 2008, the City annexed several existing commercial and industrial properties, two of which, resulted in bringing 100 new jobs to the City.

The City Engineering Department oversees all stages of street and sewer improvement projects. During 2008, the City completed a \$1,013,529 industrial park project. The engineer's office also completed a \$303,045 traffic signal renovation project. Engineering projects in various stages of planning, development, and construction include: Guilford Ave. NW Bridge Replacement, 25th St NE Storm Sewer Improvement, Tuscarawas St. Improvement, Fulton Road/Stadium Park Intersection, Steese Area Drainage Project, 38th St. NW Improvement, 30th St. NE Storm Sewer Project, 49th & Gardendale Ave NE. Storm Sewer Project, the West Side Park Trail & Bridges, a Downtown Canton Bike Trail, Sherrick Road Improvement Project and the Kimble Road Storm Sewer Project.

During 2008, the City's Sewer Department continued working on a tertiary filter project and the construction of a new sewer collection office building and garage. The City's Water Department completed various waterline extensions and improvements throughout the year adding an additional \$2,298,225 of value to the overall system. The Water Department also continued construction work on its infrastructure improvement project at its Sugarcreek Plant and began similar work at its Northwest Plant.

Financial Information

Accounting Policies and Budgetary Control

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the alternative Tax Budget, the Certificate of Estimated Resources and the Appropriations Ordinance: all are prepared on the budgetary basis of accounting. The Certificate of Estimated Resources and the Appropriations Ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than the agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control is at the account level split between salary and non-salary line items. Any budgetary modifications at this level or above may only be made by resolution of the City Council. Budgetary control at this level provides some flexibility in moving appropriations within their account groups to meet expenses.

The City's fully automated financial system also maintains budgetary control through its purchase order/encumbrance feature. The purchase order, required before making purchases, creates the encumbrance against the current budget. Purchase orders, which result in an overrun of budget, are not released until additional appropriations are made available through Council ordinance. This procedure is followed when money is available to allow an increase in appropriations. If no money is available, the purchase request is canceled.

The City Auditor monitors all expenditures for accuracy, appropriateness and compliance. The City Auditor monitors expenditures to encumbrances to assure that each obligation incurred was entered into after the appropriate purchase order was issued. The City Auditor will exercise his discretion to issue “then and now certificates” for obligations incurred prior to obtaining a purchase order. This certificate is authorized by the Ohio Revised Code for obligations not greater than three-thousand dollars. This certificate simply stated means: “then” meaning at the time the obligation was made and “now” meaning as of the date of the certificate there were sufficient appropriations free from prior obligations necessary to meet this obligation in question. The City Auditor requires an ordinance from Council authorizing a “Moral Obligation”, for obligations incurred prior to obtaining a purchase order that exceeds this authority.

The City Auditor continually monitors the encumbrances and expenditures against the budget appropriations and against the County Auditor’s Certificate of Estimated Resources. Using the budget prepared by the City the preceding July and including the carry over cash balances less carry over encumbrances at year end, the County Auditor arrives at and issues the certificate of estimated resources for the City. The City Auditor submits amendments to the certificate of estimated resources to the County Auditor as deemed appropriate throughout the year. Ohio Law prohibits total fund appropriations from exceeding the amounts by fund on the County Auditor’s Certificate.

Internal Accounting and Reporting Control

As part of its continuing commitment to excellence in financial reporting, the City utilizes a computerized financial accounting and reporting system. Enhancements to the present internal accounting controls and procedures are continually evaluated by the City Auditor. The City Auditor oversees the appropriateness of internal control, develops procedures to enhance internal control and consults with outside auditors to insure the City remains at a sound financial level of operation.

The City has built internal accounting controls into its financial accounting, budgeting and reporting system to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss resulting from unauthorized use or disposition; and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The internal accounting controls built into the City’s system were developed using the concept of reasonable assurance. This concept recognizes the cost of a control should not exceed the benefits likely to be derived from its implementation, and the evaluation of costs and benefits should require estimates and judgments by management. We believe the City’s internal accounting controls adequately safeguard the City’s assets and provide reasonable assurance of proper recording and reporting of financial transactions.

Debt Administration

The gross indebtedness of the City at the end of 2007 was \$54,821,268. At the end of 2008, the gross indebtedness of the City was \$50,153,716. In 2008, the City did not issue notes, receive OPWC Loan proceeds, or issue any general obligation bonds. The City did receive three OWDA Loan’s, one for a waterline extension and two to improve the City’s overall water infrastructure and security. The proceeds from the three loans totaled \$1,890,395. The City also entered into a capital lease agreement for four new police motorcycles with a total present value of \$87,149. In 2008, the City reassigned \$273,385 of bond proceeds from a previous issuance from the business-type activities to the governmental activities. The original Refuse project that was intended for the proceeds was discontinued and the money was reallocated to a general government project as allowed under the debt agreement. The Refuse fund was relieved of any future debt obligations and reimbursed for all previous debt payments.

As of December 31, 2008, the City had \$587,580 and \$17,470,497 in outstanding OPWC and OWDA loans, respectively. The City also had \$7,857,538 outstanding in the enterprise funds and \$21,656,948 for bonds payable in the governmental funds. The City had a legal claim and judgment outstanding of \$121,900. The City had \$2,079,359 in long-term HUD, SIB and Urban Redevelopment Loans outstanding as of December 31, 2008.

The City has maintained its A-2 rating formerly known as A+ by Moody's Investor Services, Inc. and an A+ rating by Standard & Poor's and Fitch Rating Services on general obligation bond issue. The general obligation indebtedness of the City is subject to two statutory debt limitations referred to as the "direct debt limitation" (by Ohio Revised Code Section 133.05). The total principal amount of voted and unvoted nonexempt net indebtedness of the City may not exceed 10.5 percent of its assessed value of real and personal property, and in addition, the net principal amount of unvoted nonexempt debt may not exceed 5.5 percent of the same total assessed value. The City's overall legal debt margin was \$86,718,269 and an unvoted debt margin of \$37,055,413 as of December 31, 2008.

Risk Management

The City participates in the Workers' Compensation Retrospective Rating Plan. In the retrospective rating plan, the City assumes a portion of the risk in return for a reduction in current premiums.

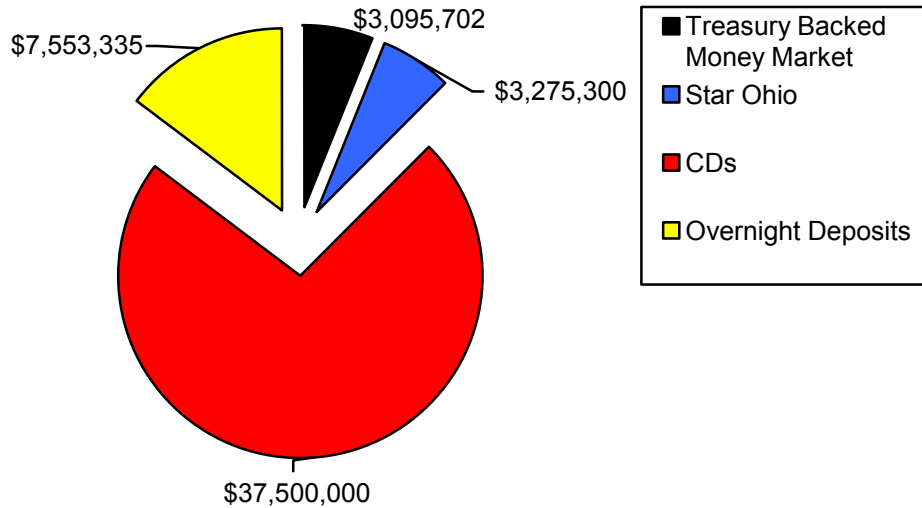
The City contracts with Affiliated FM Insurance Company through Leonard Insurance Company for commercial property coverage, which has a \$415,202,611 limit and a \$100,000 deductible. The City also contracts with Cincinnati Insurance Company through Leonard Insurance Agency Inc. for boiler and machinery coverage, which has a \$1,000,000 limit and a \$2,500 deductible. The City contracts with Ohio Plan Risk Management, Inc. through Hylant Administrative Services for automobile combined coverage, which has a \$6,000,000 limit and a \$125,000 deductible. The City also contracts with Ohio Plan Risk Management, Inc. for liability coverages, which includes general liability, employer's, employee benefits and public officials. Each of these coverages has a \$6,000,000 limit with a \$125,000 deductible.

The City has elected to provide employees' major medical, hospitalization, prescription, and dental/vision coverage through a self-insured program. The City maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. The City purchases stop-loss coverage of \$150,000 specific per employee. Third party administrators, Aultcare and Anthem Blue Cross, review all claims prior to payment by the City. Advantages of the self-insurance arrangement include holding the reserves and earning interest on them and saving on administrative costs. Control of the plans rests with the City.

Cash Management

At December 31, 2008, the City had \$51.4 million in cash and investments. The allocation of these investment resources is included in the chart below:

Allocation of City of Canton Investment Resources



Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Canton for its Comprehensive Annual Financial Report as of December 31, 2007. The Certificate of Achievement is the highest form of recognition for excellence in state and local government.

To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized financial report whose contents conform to program standards, as well as satisfy both generally accepted accounting principles and applicable legal requirements.

Independent Audit

The financial records, books of accounts and transactions of the City of Canton, Ohio, for the year ending December 31, 2008, have been audited by the Auditor of State Mary Taylor's Office. As stated in the auditor's report, the audit was conducted in accordance with Generally Accepted Government Auditing Standards and included a financial compliance evaluation, as well as a review of the internal accounting controls. The Auditor's opinion has been included in the report.

Acknowledgements

Special recognition for the preparation of this report is made to contributing department heads, Treasurer's staff, my own Auditor's office staff and City Council for their continuing support and commitment to responsible fiscal reporting. Special acknowledgement is given to my administrative staff: Christine Bagley, James Carman, John Slobodnik and Gary Young for their continued dedication and commitment to sound financial reporting in the preparation of this report.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Richard A. Mallonn II', with a stylized, cursive script.

Richard A Mallonn II
City Auditor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Canton
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A handwritten signature in dark ink, appearing to read "M. L. R.", is written above the title "President".

President

A handwritten signature in dark ink, appearing to read "Jeffrey R. Enev", is written above the title "Executive Director".

Executive Director

CITY OF CANTON

CITY OFFICIALS

Mayor

William J. Healy II

Council Members

Allen Schulman, President

Patrick Barton
Joseph Carbenia
Donald Casar
Mary Cirelli
David Dougherty
James E. Griffin

Gregory Hawk
Karl Kraus
Terry Prater
Chris Smith
Bill Smuckler
Thomas West

City Auditor

Richard A. Mallonn II

City Treasurer

Robert C. Schirack

Law Director

Joseph Martuccio

Director of Income Tax

Cynthia Allensworth

Chief of Staff-Director of Public Service

Thomas Bernabei

Director of Public Safety

Thomas Nesbitt

Fire Chief

Stephen J. Rich

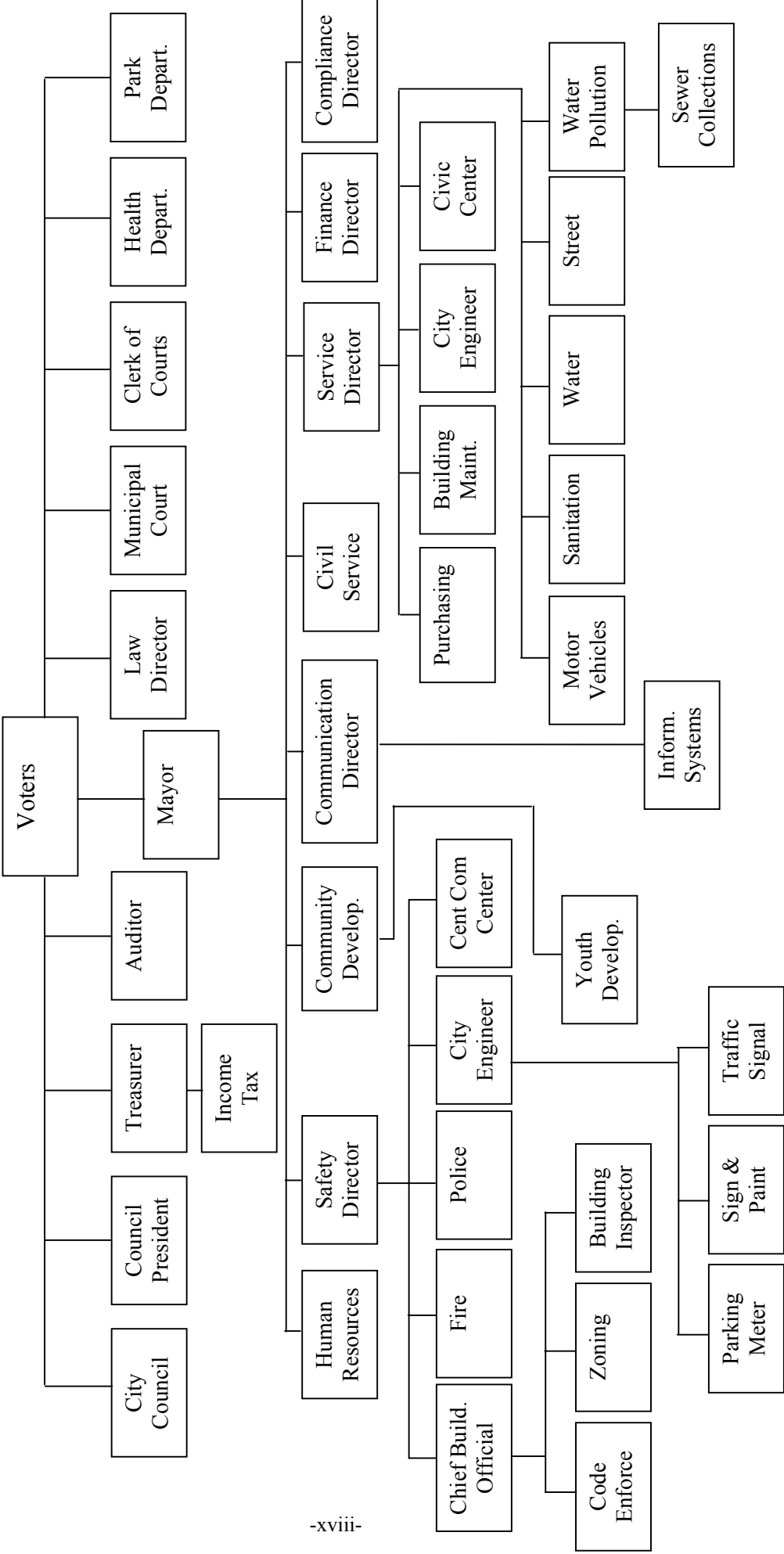
Police Chief

Dean McKimm

City Engineer

Dan Moeglin

City of Canton
Organizational Chart





Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

City of Canton
Stark County
218 Cleveland Avenue
Canton, Ohio 44702

To the Honorable Mayor and City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the City of Canton, Stark County, Ohio, (the City) as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Canton Community Improvement Corporation, which represent 3 percent, 5 percent, and 4 percent, respectively, of the assets, net assets, and revenues for the aggregate discretely presented component unit and remaining fund information. Other auditors audited those financial statements. They have furnished their report thereon to us and we base our opinion, insofar as it relates to the amounts included for the Canton Community Improvement Corporation on the report on the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the City of Canton, Stark County, Ohio, as of December 31, 2008, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General Fund and Community and Economic Development Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 9, 2009, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining statements and individual fund schedules, and the statistical section provide additional information and are not a required part of the basic financial statements. We subjected the combining statements and individual fund schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section or statistical section to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in black ink that reads "Mary Taylor". The script is cursive and fluid, with the first letter of each word being capitalized and prominent.

Mary Taylor, CPA
Auditor of State

June 9, 2009

City of Canton
Stark County, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2008

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the City of Canton's financial performance provides an overview of the City's financial activities as of December 31, 2008. Please read it in conjunction with the City's basic financial statements, which begin on page 13.

FINANCIAL HIGHLIGHTS

- The City's net assets increased \$3.4 million as a result of this year's operations. Net assets of our business-type activities increased by \$4.1 million, or 4.9 percent, and net assets of governmental activities decreased by \$0.7 million, or .5 percent.
- The City maintained Bond Ratings of A-2 per Moody's and it's A+ status from Standards and Poor's, and Fitch in 2008.
- In 2008, the City was unable to reduce its unfunded compensated absence debt for the first time since the fund's inception in 2004. The unfunded compensated absence debt went from \$4,710,430 at the end of 2007 to \$5,192,339 at the end of 2008.

USING THIS ANNUAL FINANCIAL REPORT

This annual financial report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 13 and 14-15) provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements begin on page 16. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most financially significant funds.

Reporting the City as a Whole

The Statement of Net Assets and the Statement of Activities

Our analysis of the City as a whole begins on page 13. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's *net assets* and changes in them. You can think of the City's net assets, the difference between assets, what the citizens own, and liabilities, what

City of Canton
Stark County, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2008

the citizens owe, as one way to measure the City's financial health, or *financial position*. Over time, *increases or decreases* in the City's net assets are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other non-financial factors; however, such as changes in the City's property tax base, income tax base, and the condition of the City's capital assets (land, roads, building, water and sewer lines, etc...) to assess the *overall health* of the City.

In the Statement of Net Assets and the Statement of Activities, we divide the City into two types of activities:

Governmental Activities: Most of the City's basic services are reported here, including the police, fire, street and highway maintenance, capital improvement, vehicle acquisition, parks and recreation, and general administrative. Income taxes, property taxes, undivided local government, ambulance user fees and state and federal grants finance most of these activities.

Business-Type Activities: The City charges a fee to customers to help cover all or most of the cost of certain services it provides. The City's water, sewer and refuse operations are reported here.

Reporting the City's Most Significant Funds

Fund Financial Statements

Our analysis of the City's major funds begins on page 16. The fund financial statements provide detailed information about the most significant funds, not the City as a whole. Some funds are required to be established by State law. However, City Council establishes many other funds to help it control and manage money for particular purposes (Ex. Southeast Community Fund) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (Ex. grants received from the U.S. Department of Housing and Urban Development). The City's two kinds of funds, governmental and proprietary, use different accounting approaches.

Governmental funds: Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the City's general government operations and the basic services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation alongside the fund financial statements.

City of Canton
Stark County, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2008

Proprietary funds: When the City charges customers for the full cost of the services it provides whether to outside customers or to other units of the City, these services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the City's enterprise funds (a component of business type funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as a statement of cash flows. We use internal service funds, Health Insurance, Worker's Compensation Insurance, and Compensated Absences Claim funds, (the other component of proprietary funds) to report activities that provide a service to the City's other programs and activities.

THE CITY AS A WHOLE

The City's *combined* net assets changed from a year ago, *increasing* from \$213.1 million to \$216.5 million. The City experienced a decrease in its governmental net assets and an increase in business-type activities separately. Our analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the City's governmental and business-type activities.

Table 1
Net Assets
(In Millions)

	Governmental Activities		Business-Type Activities		Total	
	2007		2007		2007	
	2008	(Restated)	2008	(Restated)	2008	(Restated)
Assets						
Current and Other Assets	\$ 65.4	\$ 72.9	\$ 24.2	\$ 25.7	\$ 89.6	\$ 98.6
Capital Assets, Net	107.4	105.5	89.6	86.8	197.0	192.3
Total Assets	<u>\$ 172.8</u>	<u>\$ 178.4</u>	<u>\$ 113.8</u>	<u>\$ 112.5</u>	<u>\$ 286.6</u>	<u>\$ 290.9</u>
Liabilities						
Current and Other						
Liabilities	\$ 10.2	\$ 11.7	\$ 1.6	\$ 2.5	\$ 11.8	\$ 14.2
Due Within One Year	4.8	4.6	2.1	3.4	6.9	8.0
Long-Term Liabilities:						
Due Within More Than One Year	28.1	31.7	23.3	23.9	51.4	55.6
Total Liabilities	<u>43.1</u>	<u>48.0</u>	<u>27.0</u>	<u>29.8</u>	<u>70.1</u>	<u>77.8</u>
Net Assets						
Invested in Capital						
Assets Net of Debt	94.9	93.5	64.1	61.6	159.0	155.1
Restricted	32.9	34.6	-	-	32.9	34.6
Unrestricted	1.9	2.3	22.7	21.1	24.6	23.4
Total Net Assets	<u>\$ 129.7</u>	<u>\$ 130.4</u>	<u>\$ 86.8</u>	<u>\$ 82.7</u>	<u>\$ 216.5</u>	<u>\$ 213.1</u>

City of Canton
Stark County, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2008

Net assets in the City's governmental activities decreased by .5 percent (\$130.4 million compared to \$129.7 million). Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements—decreased from \$2.3 million at December 31, 2007 to \$1.9 million at the end of 2008. Restricted net assets, those restricted mainly for capital projects and special purposes such as street cleaning or maintenance decreased from \$34.6 million at the end of 2007 to \$32.9 million at the end of 2008. The investments in capital assets, net of debt category increased by \$1.4 million.

Net assets in the City's business-type activities increased by 4.9 percent (\$82.7 million compared to \$86.8 million) in 2008. The City generally can only use these net assets to finance the continuing operations of the water, sewer, and refuse operations.

Table 2 shows the changes in net assets for the year ended, December 31, 2008. The City's Governmental Activities revenue decreased in 2008 from \$97.4 million to \$86.7 million and expenses increased by \$1.1 million or 1.3% resulting in a decrease in governmental net assets of \$0.7 million. The City's Business-Type Activities revenue increased by \$1.7 million and expenses decreased by \$0.7 million resulting in a net asset increase of \$4.1 million.

Table 2
Change in Net Assets
(In Millions)

	Governmental Activities		Business-Type Activities		Total	
	2008	2007 (Restated)	2008	2007 (Restated)	2008	2007 (Restated)
Revenues						
Program Revenues:						
Charges for Services	\$ 14.9	\$ 15.3	\$ 27.8	\$ 26.4	\$ 42.7	\$ 41.7
Operating Grants and Contributions	7.0	8.0	0.1	-	7.1	8.0
Capital Grants and Contributions	3.7	5.1	1.9	1.3	5.6	6.4
Total Program Revenues	25.6	28.4	29.8	27.7	55.4	56.1
General Revenues:						
City Income Taxes	43.1	47.1	-	-	43.1	47.1
Property Taxes	4.5	4.1	-	-	4.5	4.1
Intergovernmental	8.9	10.6	-	-	8.9	10.6
Grants and Contributions	-	0.1	-	-	-	0.1
Interest and Investment Earnings	1.6	3.2	-	0.2	1.6	3.4
Other	3.0	3.9	0.2	0.4	3.2	4.3
Total General Revenues	61.1	69.0	0.2	0.6	61.3	69.6
Total Revenues	\$ 86.7	\$ 97.4	\$ 30.0	\$ 28.3	\$ 116.7	\$ 125.7

City of Canton
Stark County, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2008

Table 2
Change in Net Assets (continued)
(In Millions)

	Governmental Activities		Business-Type Activities		Total	
	2007		2007		2007	
	2008	(Restated)	2008	(Restated)	2008	(Restated)
Expenses						
Program Expenses:						
General Government	\$ 20.0	\$ 20.4	\$ -	\$ -	\$ 20.0	\$ 20.4
Security of Persons and Property	40.0	37.7	-	-	40.0	37.7
Public Health	6.2	6.1	-	-	6.2	6.1
Transportation	11.0	11.1	-	-	11.0	11.1
Community Development	6.0	6.6	-	-	6.0	6.6
Leisure Time Activities	3.0	3.1	-	-	3.0	3.1
Interest on Long-Term Debt	1.2	1.3	-	-	1.2	1.3
Water	-	-	10.6	10.4	10.6	10.4
Sewer	-	-	10.3	11.6	10.3	11.6
Refuse	-	-	5.0	4.6	5.0	4.6
Total Program Expenses	<u>87.4</u>	<u>86.3</u>	<u>25.9</u>	<u>26.6</u>	<u>113.3</u>	<u>112.9</u>
Increase (Decrease) in Net Assets	(0.7)	11.1	4.1	1.7	3.4	12.8
Net Assets 1/1/2008	<u>130.4</u>	<u>119.3</u>	<u>82.7</u>	<u>81.0</u>	<u>213.1</u>	<u>200.3</u>
Net Assets 12/31/2008	<u>\$ 129.7</u>	<u>\$ 130.4</u>	<u>\$ 86.8</u>	<u>\$ 82.7</u>	<u>\$ 216.5</u>	<u>\$ 213.1</u>

Governmental Activities

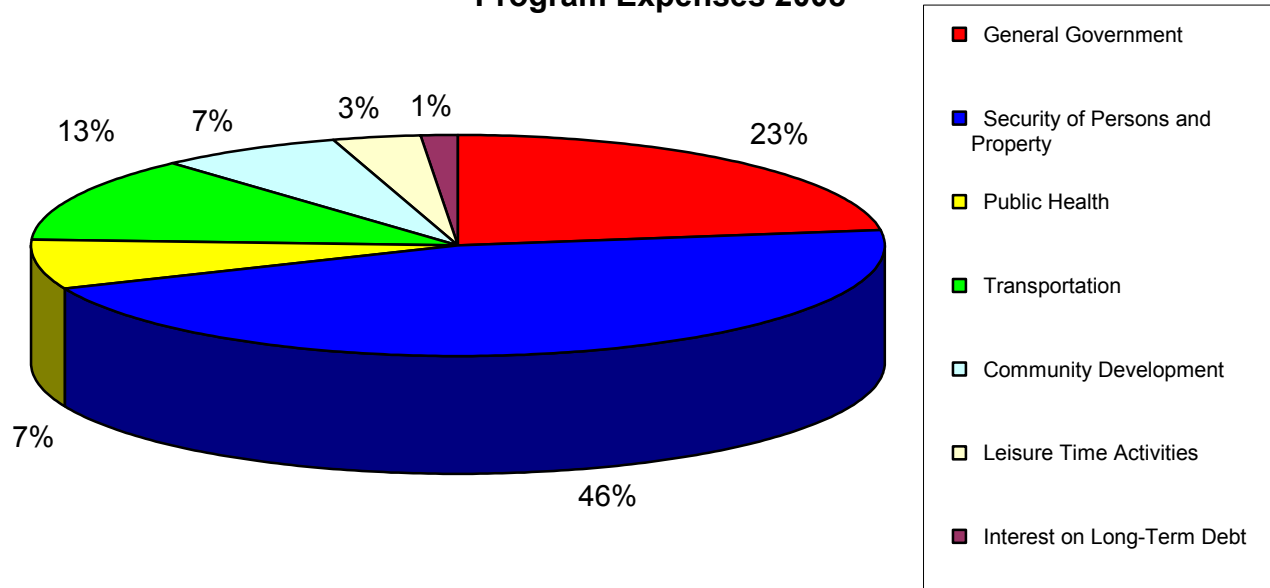
The 2.0 percent income tax is the largest revenue source for the City. Designated by ordinance, the Capital Acquisition and Improvement Fund receives 20 percent of net income tax received. In addition, the Motor Vehicle Fund receives 5 percent of net income tax received. The remaining 75 percent is allocated to the General Fund and is used for such things as Police and Fire Protection, Street Maintenance, and other purposes determined by council.

When looking at sources of income to support governmental activities, it should be noted that charges for services are only 17.2 percent of revenue. Revenues provided by sources other than city residents in the form of operating and capital grants comprise another 12.3 percent. The remaining revenues are primarily generated locally through property (5.2 percent) and income taxes (49.7 percent).

Chart 3 represents the cost of each of the City's Governmental programs: Security of Persons and Property, General Government, Transportation, Public Health, Leisure Time Activities, Community Development, and Interest on Long Term Debt. The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions. The increase in the net cost demonstrates the inability to recover the increased cost of the program under the current revenue policies. As indicated by Governmental Program Expenses, citizen's safety, health, and well-being is emphasized.

City of Canton
Stark County, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2008

**Chart 3
Program Expenses 2008**



Business-Type Activities

The City's major Enterprise Funds consist of the Water Operating Fund, the Sewer Operating Fund and the Refuse Operating Fund. For a description of these funds, see the accompanying Notes to the Basic Financial Statements.

The basic financial statements for the major funds are included in this report. Because the focus on business-type funds is a cost of service measurement or capital maintenance, we have included these funds in Graph 5, which demonstrates capital asset balances. Graph 5 is located on page 11.

The City's Funds

Information about the City's major governmental funds begins on page 16. These funds are reported using the modified accrual basis of accounting. All Governmental funds had total revenues of \$85.9 million and expenditures of \$89.0 million including other financing sources and uses. The General Fund balance decreased \$1,521,852. Within the General Fund, expenditures exceeded revenue by \$1,481,854, which was caused by negotiated wage increases, the City absorbing a 27th pay in 2008 and declining revenues in income tax and interest revenue. Included in the General Fund Expenditures is the annual premium based contributions into the City's Compensated Absence Claim Fund of \$2,432,446. In 2004, as part of cost cutting measures, the City established the Compensated Absences Claim Fund. This fund is receiving biweekly premiums from all other funds presently paying a salary. The money set aside will be used to pay for the salaries of employees using sick leave and cover the cost of benefits paid to

City of Canton
Stark County, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2008

employees at the point of termination. The success of this fund is obvious. The City has been successful in reducing its potential unfunded compensated absence obligation from \$11,500,997 at the end of 2003 to \$5,192,339 at the end of 2008. Unfortunately, 2008 saw the first increase in unfounded compensated absence obligation since the fund's creation in 2004. This can be attributed to two factors. One is the effect of wage increases on the anticipated debt obligation. The second is the result of the City's inability to direct any additional resources beyond the biweekly contribution due to the instability of the City's General Fund revenue.

The Community and Economic Development Fund balance decreased by \$1,635,002, which can be attributed to a loss of over \$3.3 million in revenue from 2007 to 2008. The Capital Projects Fund balance saw an increase of \$1,250,829 caused by a slight increase in revenue and a \$2.1 million drop in expenditures. The drop in expenditures for the Capital Project Fund is a result of reduced debt payments. The Motor Vehicle Purchase Fund balance increased by \$724,048 due mostly to a small increase in income tax revenue and a \$0.6 million drop in expenditures. There was one transfer in the governmental funds last year. The transfer was from the General Fund to Nonmajor Special Revenue Funds. The \$40,000 transfer was done as a grant match. The Water, Sewer and Refuse funds had net asset increases of \$2,387,076, \$1,342,447 and \$341,337 respectively. The increases were due to increased customer revenue generated largely through increased rates. The Sewer fund was further helped by reduced expenses. Also, the Refuse fund had a large capital grant in 2008 that helped improve its financial position.

General Fund Budgeting Highlights

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the Alternative Tax Budget, the Certificate of Estimated Resources and the Appropriation Ordinance: all are prepared on the budgetary basis of accounting. The Certificate of Estimated Resources and the Appropriations Ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control is at the account level split between salary and non-salary line items. Any budgetary modifications above account group level may only be made by resolution of City Council.

The City's fully automated financial system also maintains budgetary control through its requisition/purchase order/encumbrance feature. Department requisitions, which if processed, would result in an overrun of budget are placed into suspense and can only be authorized when additional appropriations are made available through Council ordinance or departmental transfer. The security of the financial system prohibits commitments in excess of appropriations. Requisitions not completed are removed at the close of each month. Requisitions meeting the required criteria are processed by the City Auditor resulting in the required purchase order. The purchase order provides for the reserved encumbrance against the current budget.

City of Canton
Stark County, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2008

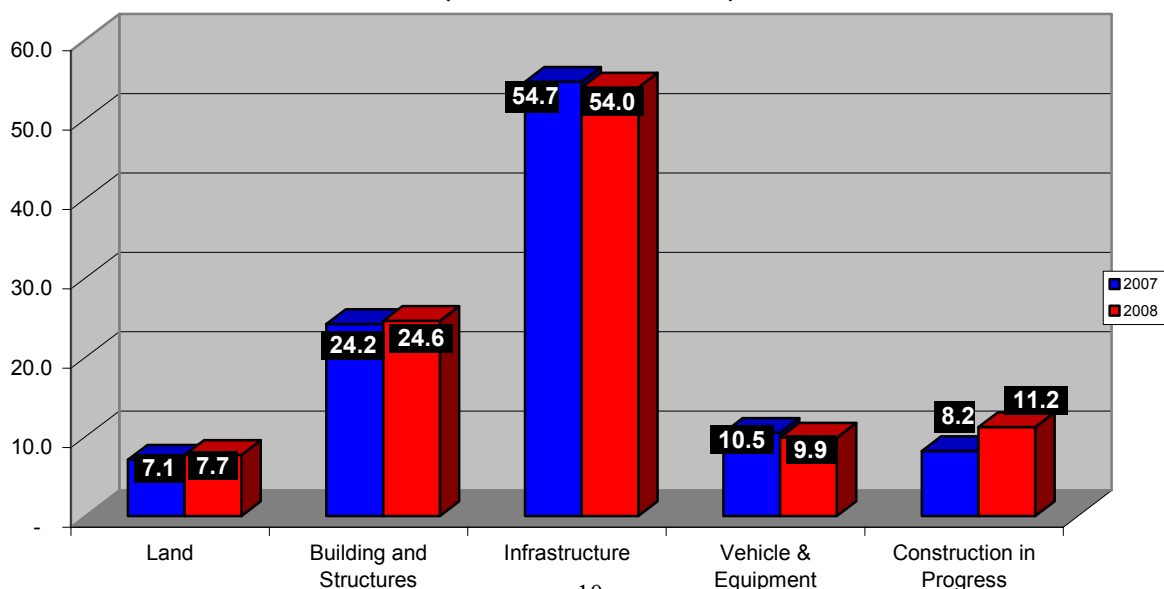
The City Auditor continually monitors the encumbrances and expenditures against the budgeted appropriations and against the County Auditor's Certificate of Estimated Resources. Using the budget prepared by the City the preceding July and including the carry over balances less carry over encumbrances at year-end, the County Auditor arrives at and issues the Certificate of Estimated Resources for the City. Ohio Law prohibits total fund appropriations from exceeding the amounts by fund on the County Auditor's certificate.

The City's General Fund variance from original estimated revenues increased by \$190,830 increasing the overall General Fund estimated revenues to \$58,794,798 as indicated on page 20. This minor change represents 0.3% of total revenue. The General Fund variance from original appropriations to final appropriations was \$1,698,313; this increased the overall General Fund appropriations to \$62,438,965. This increase in appropriations was done proportionally across the various departments. However, the actual expenditures were below the final budget by \$1,205,334. The actual expenditures were greater than the original budget by \$492,979. The actual variance was due to a significant increase in the price of gasoline for an extended period in 2008. The variances between appropriations and actual expenditures results from City Council and City Department Heads constantly monitoring expenditures throughout the year

CAPITAL ASSET AND DEBT ADMINISTRATION

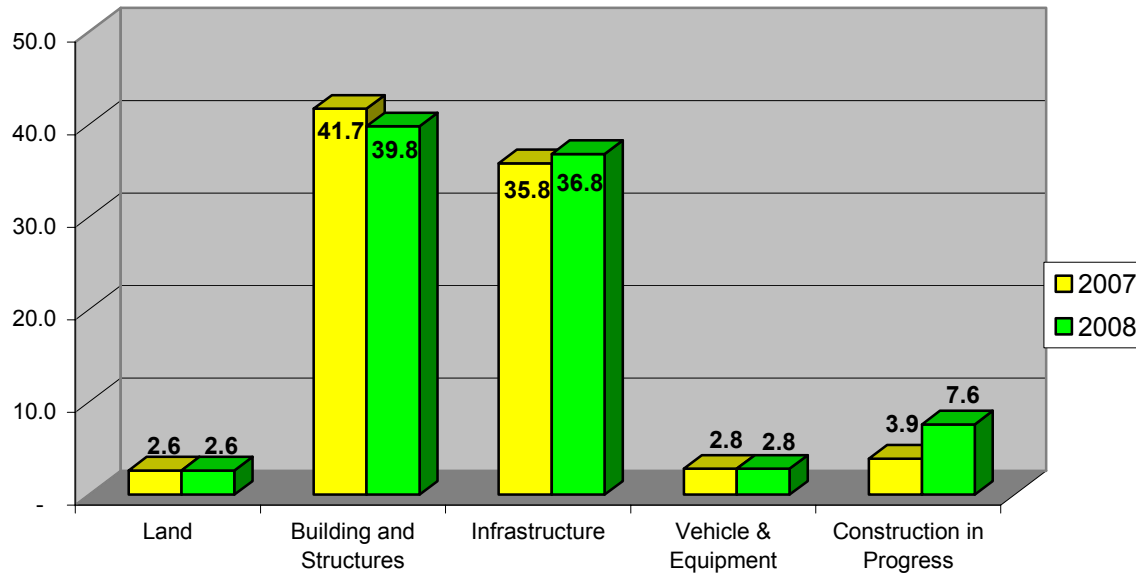
At the end of 2008, the City had \$197.0 million invested in a variety of capital assets, including police and fire equipment, land, buildings, park facilities, roads, bridges, and water and sewer lines (see following graphs). This amount represents a net increase over last year. Major additions for the Governmental Activities included the opening of a new softball facility, 7 police cruisers and 4 police motorcycles, 56 acres of new park land, and the completion of a large traffic signal replacement project.

Graph 4
Governmental Capital Assets-Net of Depreciation
(Dollar Value in Millions)



City of Canton
Stark County, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2008

Graph 5
Business-Type Capital Assets - Net of Depreciation
(Dollar Value in Millions)



Additions to Business-Type Activities included additional water line construction, and the beginning of restoration work at the City's three major water pumping stations.

The City's 2009 capital budget anticipates a spending level of \$9.7 million for capital projects. The City will also continue to use the \$15,850,000 generated from the sale of general obligation bonds during 2006 to construct a new fire station, a new sewer collection facility, a new wade park and reconstruct some existing recreational facilities. More detailed information about the City's capital assets is presented in Note 7 to the basic financial statements.

Debt

At December 31, 2008, the City had \$21.7 million in Governmental Activities General Obligation Bonds.

Table 6
General Obligation Bond Debt Outstanding at Year End

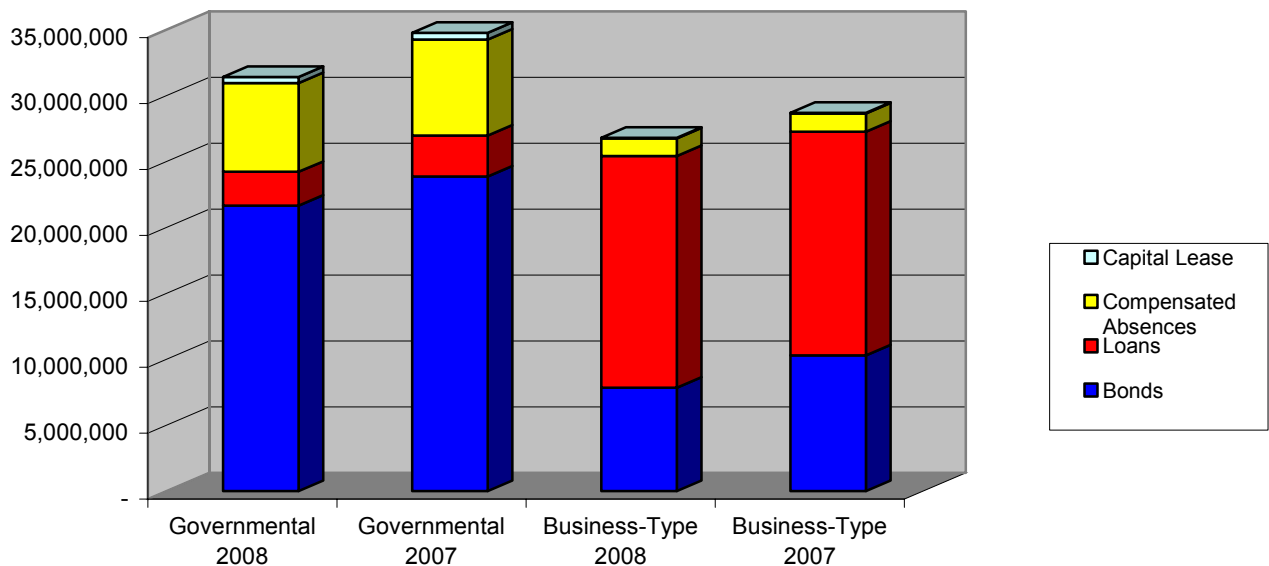
	Governmental Activities	
	2008	2007
Unvoted General Obligation Bonds:		
1998 Pension Refunding Bonds	\$ 4,080,000	\$ 4,400,000
1999 Various Purpose Refunding	4,480,000	4,825,000
2001 Radio Communication	1,890,000	2,475,000
2006 Various Purpose	11,206,948	12,165,120
Total Unvoted General Obligation Bonds:	<u>\$ 21,656,948</u>	<u>\$ 23,865,120</u>

City of Canton
Stark County, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2008

The City's overall legal debt margin was \$86,718,269 as of December 31, 2008. The City's unvoted legal debt margin was \$37,055,413 as of December 31, 2008.

At December 31, 2008, the City had outstanding long-term debt obligations in the amount of \$31.5 million down from \$34.9 million in 2007 for the governmental activities this represents a 9.7 percent decrease. The City's business-type activities debt obligation as of December 31, 2008 was \$26.8 million down from \$28.7 million in 2007 this represents a decrease of 6.6 percent. The breakout on debt is presented in the graph below.

**Graph 7
Total Debt Outstanding by Type**



The City's general obligation bond rating is A-2 from Moody's and A+ from Standard and Poor's and Fitch Rating Services. Other obligations include accrued vacation pay and sick leave. More detailed information about the City's long-term liabilities is presented in Note 9 to the basic financial statements.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Richard A. Mallonn II-City Auditor, City of Canton, 218 Cleveland Ave., Canton, Ohio 44702. (Phone 330-489-3226 or Fax 330-580-2067).

City of Canton, Ohio

Statement of Net Assets

December 31, 2008

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	CCIC
Assets				
<i>Current Assets</i>				
Cash and Cash Equivalents	\$ 34,054,946	\$ 15,070,898	\$ 49,125,844	\$ 201,655
Cash and Cash Equivalents with Fiscal Agents	3,019	-	3,019	-
Accounts Receivable	5,251,031	6,860,657	12,111,688	2,976
Taxes Receivable	11,581,944	-	11,581,944	-
Loans Receivable	1,553,011	-	1,553,011	-
Due From Other Governments	12,682,573	40,256	12,722,829	-
Inventories	223,435	2,244,899	2,468,334	-
Internal Balances	32,733	(32,733)	-	-
<i>Total Current Assets</i>	<u>65,382,692</u>	<u>24,183,977</u>	<u>89,566,669</u>	<u>204,631</u>
<i>Noncurrent Assets</i>				
Capital Assets:				
Land and Construction in Progress	18,908,532	10,220,508	29,129,040	639,461
Other Capital Assets, Net of Depreciation	88,558,146	79,380,182	167,938,328	173,845
<i>Total Noncurrent Assets</i>	<u>107,466,678</u>	<u>89,600,690</u>	<u>197,067,368</u>	<u>813,306</u>
Total Assets	<u>\$ 172,849,370</u>	<u>\$ 113,784,667</u>	<u>\$ 286,634,037</u>	<u>\$ 1,017,937</u>
Liabilities				
<i>Current Liabilities</i>				
Accounts Payable	\$ 2,479,151	\$ 1,145,112	\$ 3,624,263	\$ -
Accrued Wages and Benefits	1,239,956	302,115	1,542,071	4,822
Due to Other Governments	557,315	85,444	642,759	-
Retainage Payable	171,554	-	171,554	-
Claims Payable	3,545,553	-	3,545,553	-
Unearned Revenue	2,265,380	-	2,265,380	105,836
Long Term Liabilities Due Within One Year	4,656,829	2,123,143	6,779,972	-
Capital Lease Due Within One Year	144,994	12,112	157,106	-
Legal Claims Payable Due Within One Year	27,600	-	27,600	-
<i>Total Current Liabilities</i>	<u>15,088,332</u>	<u>3,667,926</u>	<u>18,756,258</u>	<u>110,658</u>
<i>Noncurrent Liabilities</i>				
Long Term Liabilities Due Within More Than One Year	27,639,531	23,303,789	50,943,320	-
Capital Lease Due Within More Than One Year	320,461	24,227	344,688	-
Legal Claims Payable Due Within More Than One Year	94,300	-	94,300	-
<i>Total Noncurrent Liabilities</i>	<u>28,054,292</u>	<u>23,328,016</u>	<u>51,382,308</u>	<u>-</u>
Total Liabilities	<u>43,142,624</u>	<u>26,995,942</u>	<u>70,138,566</u>	<u>110,658</u>
Net Assets				
Invested in Capital Assets, Net of Related Debt	94,910,241	64,137,417	159,047,658	813,306
Restricted for:				
Community Development Programs	7,659,618	-	7,659,618	-
Street Construction, Maintenance & Repair	2,144,686	-	2,144,686	-
Public Health Service Programs	3,328,818	-	3,328,818	-
Safety & Security Programs and Supplies	467,421	-	467,421	-
Court Programs	709,350	-	709,350	-
City Owned Parking Decks	103,507	-	103,507	-
Other Purposes	1,286,077	-	1,286,077	-
Debt Service	23,093	-	23,093	-
Capital Projects	17,176,134	-	17,176,134	-
Unrestricted	1,897,801	22,651,308	24,549,109	93,973
Total Net Assets	<u>129,706,746</u>	<u>86,788,725</u>	<u>216,495,471</u>	<u>907,279</u>
Total Liabilities and Net Assets	<u>\$ 172,849,370</u>	<u>\$ 113,784,667</u>	<u>\$ 286,634,037</u>	<u>\$ 1,017,937</u>

See accompanying notes to the basic financial statements

City of Canton, Ohio
Statement of Activities
For the year ended December 31, 2008

Functions/Programs	Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions Capital Grants and Contributions
Primary Government			
<i>Governmental Activities</i>			
General Government	\$ 20,109,980	\$ 7,299,960	\$ 139,914
Security of Persons and Property	39,952,807	5,693,273	255,678
Public Health	6,232,337	873,969	2,913,490
Transportation	11,010,239	409,845	-
Community Development	6,011,649	-	3,708,021
Leisure Time Activities	2,986,053	665,429	-
Interest on Long-Term Debt	1,154,014	-	-
<i>Total Governmental Activities</i>	<u>87,457,079</u>	<u>14,942,476</u>	<u>7,017,103</u>
<i>Business-Type Activities</i>			
Water	10,644,920	12,452,723	-
Sewer	10,344,713	10,570,525	-
Refuse	5,057,233	4,778,453	108,822
<i>Total Business-Type Activities</i>	<u>26,046,866</u>	<u>27,801,701</u>	<u>108,822</u>
Total Primary Government	<u>\$ 113,503,945</u>	<u>\$ 42,744,177</u>	<u>\$ 7,125,925</u>
Component Unit:			
CCIC	\$ 528,847	\$ 12,818	\$ 943,740

General revenues:

Taxes:

 City Income Taxes

 Property Taxes

Intergovernmental-Unrestricted

Interest and Investment Earnings

Other

Gains on Sale of Assets

 Total General Revenues

 Change in Net Assets

Net Assets -- Beginning (Restated, see Note 22)

Net Assets -- Ending

See accompanying notes to the basic financial statements

**Net (Expense) Revenue and
Changes in Net Assets**

Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	CCIC
\$ (12,670,106)	\$ -	\$ (12,670,106)	\$ -
(33,987,414)	-	(33,987,414)	-
(2,444,878)	-	(2,444,878)	-
(7,342,898)	-	(7,342,898)	-
(1,834,453)	-	(1,834,453)	-
(2,320,624)	-	(2,320,624)	-
(1,154,014)	-	(1,154,014)	-
<u>(61,754,387)</u>	<u>-</u>	<u>(61,754,387)</u>	<u>-</u>
-	2,309,548	2,309,548	-
-	1,198,660	1,198,660	-
-	295,042	295,042	-
-	3,803,250	3,803,250	-
<u>(61,754,387)</u>	<u>3,803,250</u>	<u>(57,951,137)</u>	<u>-</u>
-	-	-	427,711
43,086,906	-	43,086,906	-
4,475,101	-	4,475,101	-
8,938,333	-	8,938,333	-
1,592,671	40,203	1,632,874	-
2,979,299	220,621	3,199,920	18,508
-	6,786	6,786	-
<u>61,072,310</u>	<u>267,610</u>	<u>61,339,920</u>	<u>18,508</u>
(682,077)	4,070,860	3,388,783	446,219
130,388,823	82,717,865	213,106,688	461,060
<u>\$ 129,706,746</u>	<u>\$ 86,788,725</u>	<u>\$ 216,495,471</u>	<u>\$ 907,279</u>

City of Canton, Ohio

Balance Sheet Governmental Funds December 31, 2008

	General	Community and Economic Development	Capital Projects	Motor Vehicle Purchase
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 2,735,071	\$ 846,847	\$ 2,809,379	\$ 1,770,914
Cash and Cash Equivalents in Segregated Accounts	-	-	-	-
Taxes Receivable	9,453,881	-	1,688,967	422,242
Accounts Receivable	3,902,080	610,196	-	-
Loans Receivable (net of uncollectibles)	-	1,553,011	-	-
Due From Other Funds	1,923	-	-	-
Due From Other Governments	4,118,452	5,390,514	113,170	-
Inventories	204,637	-	-	-
Total Assets	\$ 20,416,044	\$ 8,400,568	\$ 4,611,516	\$ 2,193,156
Liabilities				
<i>Current</i>				
Accounts Payable	\$ 660,647	\$ 239,129	\$ 388,720	\$ 232,751
Accrued Wages and Benefits	1,079,914	28,725	35,468	-
Due to Other Funds	100,579	503,913	651	-
Due to Other Governments	313,400	26,957	8,335	-
Retainage Payable	-	-	11,307	-
Deferred Revenue	10,565,615	5,267,300	665,132	137,991
Total Liabilities	12,720,155	6,066,024	1,109,613	370,742
Fund Balances				
Reserved for:				
Inventories	204,637	-	-	-
Encumbrances	541,949	2,045,148	1,259,947	560,850
Loans Receivable	-	1,553,011	-	-
Other Purposes	1,923	-	-	-
Unreserved:				
Undesignated, Reported in :				
General Fund	6,947,380	-	-	-
Special Revenue Funds (Deficit)	-	(1,263,615)	-	-
Debt Service Funds	-	-	-	-
Capital Projects Funds	-	-	2,241,956	1,261,564
Total Fund Balances	7,695,889	2,334,544	3,501,903	1,822,414
Total Liabilities and Fund Balances	\$ 20,416,044	\$ 8,400,568	\$ 4,611,516	\$ 2,193,156

See accompanying notes to the basic financial statements

City of Canton, Ohio

Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities December 31, 2008

Other Governmental Funds	Total Governmental Funds	Total Governmental Fund Balances	\$ 32,748,410
		<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>	
\$ 16,753,192	\$ 24,915,403	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
3,019	3,019	Land and Improvements	\$ 7,716,097
16,854	11,581,944	Buildings and Structures (net of depreciation)	24,659,956
102,154	4,614,430	Vehicles & Equipment (net of depreciation)	9,901,090
-	1,553,011	Infrastructure (net of depreciation)	53,997,100
400,000	401,923	Construction in Progress	11,192,435
3,060,437	12,682,573	Total	107,466,678
18,798	223,435		
<u>\$ 20,354,454</u>	<u>\$ 55,975,738</u>		
		The internal service fund is used by management to charge the costs of insurance to individual funds. All of the assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.	
\$ 735,478	\$ 2,256,725		(1,842,415)
92,739	1,236,846		
3,736	608,879		
192,834	541,526		
160,247	171,554		
1,775,760	18,411,798	Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds	
<u>2,960,794</u>	<u>23,227,328</u>	Grants	6,179,493
		Property Taxes	602,681
18,798	223,435	Intergovernmental	3,058,100
5,117,512	9,525,406	Charges for Services	2,910,479
-	1,553,011	Income Tax	2,759,811
400,000	401,923	Special Assessments	616,147
		Other	19,707
		Total	16,146,418
-	6,947,380		
5,070,107	3,806,492	Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
6,239	6,239	General Obligation Bonds	(21,656,948)
6,781,004	10,284,524	Loans	(2,568,042)
17,393,660	32,748,410	Long-term Legal Claims	(121,900)
<u>\$ 20,354,454</u>	<u>\$ 55,975,738</u>	Capital Lease	(465,455)
		Total	(24,812,345)
		<i>Net Assets of Governmental Activities</i>	<u>\$ 129,706,746</u>

City of Canton, Ohio
Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
For the year ended December 31, 2008

	General	Community and Economic Development	Capital Projects	Motor Vehicle Purchase
Revenues				
Property and Other Taxes	\$ 4,385,206	\$ -	\$ -	\$ -
Municipal Income Tax	33,342,867	-	8,951,611	2,237,902
Charges for Services	9,357,536	74,956	-	-
Licenses, Permits, and Fees	1,281,245	-	-	-
Fines and forfeitures	254,139	-	-	-
Intergovernmental	6,873,769	-	-	-
Interest	1,185,050	8,392	-	-
Operating Grants and Contributions	272,171	2,797,354	-	-
Capital Grants and Contributions	-	-	331,830	-
Rentals	373,326	-	-	20,032
Other	705,864	274,225	89,887	-
Total Revenues	<u>58,031,173</u>	<u>3,154,927</u>	<u>9,373,328</u>	<u>2,257,934</u>
Expenditures				
Current				
General Government	17,736,047	-	-	-
Security of Persons and Property	34,724,110	-	-	-
Public Health	2,598,795	-	-	-
Transportation	1,654,795	-	-	-
Community Environment	-	4,437,746	-	-
Leisure Time Activities	2,277,060	-	-	-
Capital Outlay	-	-	5,506,060	883,816
Debt Service				
Principal	320,000	335,000	1,891,180	592,966
Interest and Fiscal Charges	202,220	26,792	818,949	95,118
Total Expenditures	<u>59,513,027</u>	<u>4,799,538</u>	<u>8,216,189</u>	<u>1,571,900</u>
<i>Excess Revenues Over (Under) Expenditures</i>	<u>(1,481,854)</u>	<u>(1,644,611)</u>	<u>1,157,139</u>	<u>686,034</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	2	9,609	6,541	38,014
Issuance of Debt	-	-	-	-
Inception of Capital Lease	-	-	87,149	-
Transfers In	-	-	-	-
Transfers Out	(40,000)	-	-	-
Total Other Financing Sources and Uses	<u>(39,998)</u>	<u>9,609</u>	<u>93,690</u>	<u>38,014</u>
Net Change in Fund Balance	(1,521,852)	(1,635,002)	1,250,829	724,048
<i>Fund Balance at Beginning of Year</i>	9,196,827	3,969,546	2,251,074	1,098,366
<i>Increase (Decrease) in Reserve for Inventory</i>	20,914	-	-	-
Fund Balance at End of Year	<u>\$ 7,695,889</u>	<u>\$ 2,334,544</u>	<u>\$ 3,501,903</u>	<u>\$ 1,822,414</u>

See accompanying notes to the basic financial statements

City of Canton, Ohio
Reconciliation of The Statement of Revenues, Expenditures
And Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the year ended December 31, 2008

Other Governmental Funds	Total Governmental Funds	Net change in fund balances-Total Government Funds	\$ (3,124,499)
		<i>Amounts reported for governmental activities in the statement of activities are different because</i>	
\$ -	\$ 4,385,206		
-	44,532,380	Governmental funds report capital outlays as expenditures.	
1,180,804	10,613,296	However, in the statement of activities, the cost of those	
267,234	1,548,479	assets is allocated over their estimated useful lives as	
747,245	1,001,384	depreciation expense. This is the amount by which capital outlay	
3,504,671	10,378,440	exceed depreciation in the current period.	
399,229	1,592,671	Capital Outlay	\$ 9,357,257
2,984,481	6,054,006	Depreciation Expense	<u>(7,300,541)</u>
3,303,767	3,635,597		2,056,716
20,112	413,470		
223,309	1,293,285	The net effect of various miscellaneous transactions involving	
12,630,852	85,448,214	capital assets (i.e., sales and donations) is to decrease net assets.	
		Loss on disposal of capital asset	(112,742)
840,401	18,576,448	Repayment of long-term debt is reported as an expenditure in	
2,484,053	37,208,163	the governmental funds, but the repayment reduces long-term	
3,406,611	6,005,406	liabilities in the statement of net assets.	
2,515,262	4,170,057	Bond Principal Payments	2,481,557
425,150	4,862,896	Loan Principal Payments	547,932
12,962	2,290,022	Capital Lease Payments	136,724
5,164,318	11,554,194	Legal Claims Payments	<u>27,600</u>
			3,193,813
27,067	3,166,213		
10,935	1,154,014	Change in Long Term Debt Due to the issuance of a new	
14,886,759	88,987,413	capital lease by the City and reclassification of a previous	
(2,255,907)	(3,539,199)	issuance	(360,534)
-	54,166	Consumable inventory is reported using the purchase	
273,385	273,385	method on a modified accrual basis, but is reported using the	
-	87,149	consumption method for full accrual. This amount represents	
40,000	40,000	the increase in inventory that took place during the fiscal year	(10,958)
-	(40,000)		
313,385	414,700		
(1,942,522)	(3,124,499)	Some revenues that will not be collected for several months	
19,368,054	35,883,867	after the City's year end are not considered "available" revenues	
(31,872)	(10,958)	and are deferred in the governmental funds.	(156,747)
\$ 17,393,660	\$ 32,748,410	Internal service funds are used by management to charge the	
		costs of certain activities, such as insurance, to individual	
		funds. The net revenue (expense) of the internal service funds	
		is reported with governmental activities	(2,167,126)
		<i>Change in Net Assets of Governmental Activities</i>	<u>\$ (682,077)</u>

City of Canton, Ohio
Statement of Revenues, Expenditures
and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual
General and Major Special Revenue Funds (continued)
For the year ended December 31, 2008

	General Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over/(Under)
	Original	Final		
Revenues				
Property and Other Taxes	\$ 4,036,000	\$ 4,433,300	\$ 4,385,206	\$ (48,094)
Municipal Income Tax	34,058,383	33,287,499	33,423,617	136,118
Intergovernmental	7,115,450	7,131,850	7,046,359	(85,491)
Charges for Services	9,247,757	9,661,504	9,392,755	(268,749)
Licenses, Permits and Fees	897,478	1,219,003	1,211,121	(7,882)
Fines and Forfeitures	278,200	240,200	243,194	2,994
Interest	1,597,500	1,191,486	1,198,555	7,069
Operating Grants	55,300	215,637	251,167	35,530
Rentals	418,500	390,500	399,670	9,170
Other	554,400	667,315	717,367	50,052
Total Revenues	58,258,968	58,438,294	58,269,011	(169,283)
Expenditures				
<i>Current</i>				
General Government				
Service Director Support Administration	443,697	379,280	367,814	11,466
Service Director	85,064	111,064	108,741	2,323
City Scenic Train Station	13	13	-	13
Annexation	25,453	14,153	12,813	1,340
Purchasing Administration	522,951	533,951	514,844	19,107
Building Maintenance	1,498,443	1,471,061	1,424,752	46,309
Income Tax	1,428,895	1,271,492	1,180,174	91,318
Mayor Administration	471,039	505,335	495,850	9,485
Human Resources	166,951	144,062	137,960	6,102
Youth Development	123,191	118,188	115,729	2,459
Youth Development-Summer Employment	19,175	16,215	14,787	1,428
Youth Development-Summer Food Service	-	32,303	31,906	397
Youth Development-Swimming	-	25,000	12,033	12,967
Youth Development-Basketball	-	10,000	10,000	-
Council	910,750	715,050	681,633	33,417
Judges	2,015,159	1,995,286	1,976,735	18,551
Clerk of Courts	1,552,138	1,644,437	1,635,722	8,715
Law Department	2,228,204	2,170,133	2,041,124	129,009
Auditor's Office	1,977,305	2,089,025	1,928,644	160,381
Treasurer's Office	259,223	350,623	347,268	3,355
Civil Service	285,250	344,841	337,837	7,004
Zoning Board	8,730	8,730	8,537	193
Department of Motor Vehicles	2,759,405	3,422,904	3,370,379	52,525
Management Information Systems	1,232,979	1,232,198	1,104,862	127,336
Total General Government	18,014,015	18,605,344	17,860,144	745,200
Security of Persons and Property				
Safety Director	139,083	168,783	163,714	5,069
Code Enforcement	1,131,205	1,104,406	1,092,398	12,008
Police	16,547,005	17,322,787	17,283,347	39,440
Fire	15,466,359	15,664,099	15,637,616	26,483
Central Communication	1,176,470	1,209,526	1,206,254	3,272

City of Canton, Ohio
Statement of Revenues, Expenditures
and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual
General and Major Special Revenue Funds (continued)
For the year ended December 31, 2008

	General Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over/(Under)
	Original	Final		
Traffic Engineer/Parking Meters	218,931	209,122	205,881	3,241
Total Security of Persons and Property	\$ 34,679,053	\$ 35,678,723	\$ 35,589,210	\$ 89,513
Health				
Administration	\$ 1,064,759	\$ 1,005,600	\$ 983,203	\$ 22,397
Nurses	771,078	775,320	768,603	6,717
Lab	254,888	266,769	257,613	9,156
Environmental Administration	781,781	730,321	724,067	6,254
Total Health	2,872,506	2,778,010	2,733,486	44,524
Transportation				
Engineering - Daily Operations	109,811	104,457	103,638	819
Street Department	1,541,176	1,882,764	1,701,009	181,755
Total Transportation	1,650,987	1,987,221	1,804,647	182,574
Leisure Time Activities				
Civic Center - Administration	1,362,611	1,314,200	1,187,871	126,329
Park	1,165,760	1,123,047	1,115,481	7,566
Baseball Stadium	63,500	35,200	34,824	376
Total Leisure Time Activities	2,591,871	2,472,447	2,338,176	134,271
Debt Service				
Principal	320,000	320,000	320,000	-
Interest and Fiscal Charges	202,220	202,220	202,220	-
Total Debt Service	522,220	522,220	522,220	-
Total Expenditures	60,330,652	62,043,965	60,847,883	1,196,082
<i>Excess Revenues (Under) Expenditures</i>	<i>(2,071,684)</i>	<i>(3,605,671)</i>	<i>(2,578,872)</i>	<i>1,026,799</i>
Other Financing Sources (Uses)				
Sale of Assets	-	-	2	2
Advances In	345,000	356,504	344,825	(11,679)
Advances Out	(370,000)	(355,000)	(345,748)	9,252
Transfers Out	(40,000)	(40,000)	(40,000)	-
Total Other Financing (Uses)	(65,000)	(38,496)	(40,921)	(2,425)
Excess of Revenues and Other Financing Sources (Under) Expenditures and Other Financing Uses	(2,136,684)	(3,644,167)	(2,619,793)	1,024,374
<i>Fund Balance at Beginning of Year</i>	<i>4,146,293</i>	<i>4,146,293</i>	<i>4,146,293</i>	<i>-</i>
Unexpended Prior Year Encumbrances	183,568	183,568	183,568	-
Fund Balance at End of Year	\$ 2,193,177	\$ 685,694	\$ 1,710,068	\$ 1,024,374

See accompanying notes to the basic financial statements

City of Canton, Ohio
Statement of Revenues, Expenditures
and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual
General and Major Special Revenue Funds *(continued)*
For the year ended December 31, 2008

	Community and Economic Development			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over/(Under)
	Original	Final		
Revenues				
Charges for Services	\$ 150,000	\$ 150,000	\$ 73,748	\$ (76,252)
Operating Grant	10,164,718	10,295,185	2,729,854	(7,565,331)
Interest	4,000	12,000	12,141	141
Other	420,000	420,944	164,138	(256,806)
Total Revenues	<u>10,738,718</u>	<u>10,878,129</u>	<u>2,979,881</u>	<u>(7,898,248)</u>
Expenditures				
Current				
Community Environment	10,259,827	10,259,826	5,049,605	5,210,221
Debt Service				
Principal	335,000	335,000	335,000	-
Interest and Fiscal Charges	26,792	26,792	26,792	-
Total Expenditures	<u>10,621,619</u>	<u>10,621,618</u>	<u>5,411,397</u>	<u>5,210,221</u>
<i>Excess Revenues Over (Under) Expenditures</i>	<u>117,099</u>	<u>256,511</u>	<u>(2,431,516)</u>	<u>(2,688,027)</u>
Other Financing Sources				
Sale of Assets	-	-	9,609	9,609
Advances In	400,000	400,000	400,000	-
Advances Out	-	(400,000)	-	400,000
Transfers In	133,005	-	-	-
Total Other Financing Sources	<u>533,005</u>	<u>-</u>	<u>409,609</u>	<u>409,609</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	<u>650,104</u>	<u>256,511</u>	<u>(2,021,907)</u>	<u>(2,278,418)</u>
<i>Fund Balance at Beginning of Year</i>	(503,223)	(503,223)	(503,223)	-
Unexpended Prior Year Encumbrances	1,145,473	1,145,473	1,145,473	-
Fund Balance at End of Year	<u>\$ 1,292,354</u>	<u>\$ 898,761</u>	<u>\$ (1,379,657)</u>	<u>\$ (2,278,418)</u>

See the accompanying notes to the basic financial statements

City of Canton, Ohio
Statement of Fund Net Assets
Proprietary Funds
December 31, 2008

	Business-Type Activities				Governmental Activities
	Water Operating Fund	Sewer Operating Fund	Refuse Operating Fund	Total	Internal Service Fund
Assets					
<i>Current Assets</i>					
Equity in Pooled Cash and Cash Equivalents	\$ 8,026,259	\$ 6,899,370	\$ 145,269	\$ 15,070,898	\$ 9,139,543
Accounts Receivable	2,932,973	2,251,798	1,675,886	6,860,657	636,601
Due From Other Funds	-	-	-	-	239,689
Due From Other Governments	6,256	-	34,000	40,256	-
Inventories	1,685,327	559,572	-	2,244,899	-
<i>Total Current Assets</i>	<u>12,650,815</u>	<u>9,710,740</u>	<u>1,855,155</u>	<u>24,216,710</u>	<u>10,015,833</u>
<i>Noncurrent Assets</i>					
Capital Assets:					
Land and Construction in Progress	6,010,614	4,209,894	-	10,220,508	-
Other Capital Assets, Net of Depreciation	35,503,887	42,807,527	1,068,768	79,380,182	-
<i>Total Noncurrent Assets</i>	<u>41,514,501</u>	<u>47,017,421</u>	<u>1,068,768</u>	<u>89,600,690</u>	<u>-</u>
Total Assets	<u>\$ 54,165,316</u>	<u>\$ 56,728,161</u>	<u>\$ 2,923,923</u>	<u>\$ 113,817,400</u>	<u>\$ 10,015,833</u>
Liabilities					
<i>Current</i>					
Accounts Payable	\$ 527,487	\$ 402,333	\$ 215,292	\$ 1,145,112	\$ 222,426
Accrued Wages and Benefits	131,088	102,586	68,441	302,115	3,110
Due to Other Funds	18,148	6,098	8,487	32,733	-
Due to Other Governments	44,317	24,949	16,178	85,444	15,789
Due Within One Year	1,154,324	968,819	-	2,123,143	1,555,577
Capital Lease Due Within One Year	4,931	7,181	-	12,112	-
Claims Payable	-	-	-	-	3,545,553
<i>Total Current</i>	<u>1,880,295</u>	<u>1,511,966</u>	<u>308,398</u>	<u>3,700,659</u>	<u>5,342,455</u>
<i>Noncurrent</i>					
Due Within More Than One Year	13,081,207	10,222,582	-	23,303,789	6,515,793
Capital Lease Due Within More Than One Year	9,863	14,364	-	24,227	-
<i>Total Noncurrent</i>	<u>13,091,070</u>	<u>10,236,946</u>	<u>-</u>	<u>23,328,016</u>	<u>6,515,793</u>
Total Liabilities	<u>14,971,365</u>	<u>11,748,912</u>	<u>308,398</u>	<u>27,028,675</u>	<u>11,858,248</u>
<i>Net Assets</i>					
Invested in Capital Assets, Net of Related Debt	27,264,174	35,804,475	1,068,768	64,137,417	-
Unrestricted	11,929,777	9,174,774	1,546,757	22,651,308	(1,842,415)
<i>Total Net Assets</i>	<u>39,193,951</u>	<u>44,979,249</u>	<u>2,615,525</u>	<u>86,788,725</u>	<u>(1,842,415)</u>
Total Net Assets and Liabilities	<u>\$ 54,165,316</u>	<u>\$ 56,728,161</u>	<u>\$ 2,923,923</u>	<u>\$ 113,817,400</u>	<u>\$ 10,015,833</u>

See accompanying notes to the basic financial statements

City of Canton, Ohio
Statement of Revenues, Expenses
and Changes in Net Assets
Proprietary Funds
For the year ended December 31, 2008

	Business-Type Activities			Governmental Activities
	Water Operating Fund	Sewer Operating Fund	Refuse Operating Fund	Internal Service Fund
			Total	
Operating Revenues				
Charges for Services	\$ 12,648,703	\$ 10,351,679	\$ 4,778,453	\$ 27,778,835
Rentals	64,989	22,963	-	87,952
Other	89,773	712,449	41,321	843,543
Total Operating Revenues	12,803,465	11,087,091	4,819,774	28,710,330
Operating Expenses				
Personal Services	6,177,132	4,712,577	3,064,778	13,954,487
Contractual Services	1,301,218	2,323,827	1,686,753	5,311,798
Materials and Supplies	1,037,657	465,925	76,596	1,580,178
Insurance Claims and Expenses	27,189	2,818	3,635	33,642
Benefit Claim Expenses	-	-	-	-
Depreciation	1,321,271	2,411,071	165,916	3,898,258
Other	175,597	45,881	59,555	281,033
Total Operating Expenses	10,040,064	9,962,099	5,057,233	25,059,396
<i>Operating Income (Loss)</i>	<i>2,763,401</i>	<i>1,124,992</i>	<i>(237,459)</i>	<i>3,650,934</i>
Nonoperating Revenues (Expenses)				
Noncapital Grants	-	-	108,822	108,822
Gain or (Loss) on Disposal of Capital Assets	4,525	(389)	2,650	6,786
Interest	4,006	33,875	2,324	40,205
Interest Expense	(604,856)	(382,614)	-	(987,470)
Total Nonoperating Revenue (Expenses)	(596,325)	(349,128)	113,796	(831,657)
<i>Income (Loss) Before Contributions and Transfers</i>	<i>2,167,076</i>	<i>775,864</i>	<i>(123,663)</i>	<i>2,819,277</i>
Cash Capital Contributions	220,000	566,583	-	786,583
Noncash Capital Contributions	-	-	465,000	465,000
Change in Net Assets	2,387,076	1,342,447	341,337	4,070,860
<i>Total Net Assets at Beginning of Year</i>	<i>36,806,875</i>	<i>43,636,802</i>	<i>2,274,188</i>	<i>82,717,865</i>
<i>Total Net Assets at End of Year</i>	<i>\$ 39,193,951</i>	<i>\$ 44,979,249</i>	<i>\$ 2,615,525</i>	<i>\$ 86,788,725</i>

See accompanying notes to the basic financial statements

City of Canton, Ohio
Statement of Cash Flows
Proprietary Funds
For the year ended December 31, 2008

	Business-Type Activities				Governmental Activities
	Water Operating Fund	Sewer Operating Fund	Refuse Operating Fund	Total	Internal Service
Cash Flows From Operating Activities					
Receipts from Customers	\$ 12,636,064	\$ 10,306,809	\$ 4,620,538	\$ 27,563,411	\$ 12,040,759
Other Cash Receipts	155,071	741,320	41,321	937,712	476,589
Payments to Suppliers	(2,711,444)	(3,466,167)	(1,619,877)	(7,797,488)	(744,911)
Payments to Employees	(6,319,985)	(4,830,185)	(3,130,070)	(14,280,240)	(150,232)
Claims Paid	(37,586)	(2,818)	(4,766)	(45,170)	(13,714,745)
Other Cash Payments	(172,918)	(46,100)	(59,516)	(278,534)	(684)
Internal Activity - Repayment from Other Funds	-	-	-	-	800,647
<i>Net Cash Provided (Used) by Operating Activities</i>	<u>3,549,202</u>	<u>2,702,859</u>	<u>(152,370)</u>	<u>6,099,691</u>	<u>(1,292,577)</u>
Cash Flows from Non Capital Financing Activities					
Grant Subsidy	-	-	100,999	100,999	-
Cash Flows From Capital and Related Financing Activities					
Proceeds from Capital Grants	251,200	697,564	-	948,764	-
Proceeds from Capital Debt	2,215,953	-	-	2,215,953	-
Proceeds from Sale of Capital Assets	4,525	-	2,650	7,175	-
Purchases of Capital Assets	(3,428,982)	(2,804,800)	-	(6,233,782)	-
Principal Paid on Capital Debt	(1,856,769)	(1,622,114)	(273,385)	(3,752,268)	-
Interest Paid on Capital Debt	(604,856)	(382,614)	-	(987,470)	-
<i>Net Cash (Used) by Capital and Related Financing Activities</i>	<u>(3,418,929)</u>	<u>(4,111,964)</u>	<u>(270,735)</u>	<u>(7,801,628)</u>	<u>-</u>
Cash Flows From Investing Activities					
Interest and Dividends	2,396	35,257	2,324	39,977	-
<i>Net Cash Provided by Investing Activities</i>	<u>2,396</u>	<u>35,257</u>	<u>2,324</u>	<u>39,977</u>	<u>-</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	132,669	(1,373,848)	(319,782)	(1,560,961)	(1,292,577)
Balance - Beginning of the Year	7,893,590	8,273,218	465,051	16,631,859	10,432,120
Balance - End of the Year	<u>8,026,259</u>	<u>6,899,370</u>	<u>145,269</u>	<u>15,070,898</u>	<u>9,139,543</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating Income (Loss)	2,763,401	1,124,992	(237,459)	3,650,934	(2,167,126)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities					
Depreciation Expense	1,321,271	2,411,071	165,916	3,898,258	-
Change in Assets and Liabilities:					
Accounts Receivables, net	(12,330)	(38,962)	(157,915)	(209,207)	87,739
Inventories	(233,850)	(52,649)	-	(286,499)	-
Due From Other Funds	-	-	-	-	790,848
Accounts Payables	(159,948)	(499,982)	142,285	(517,645)	(356)
Accrued Wages Payable	(117,283)	(95,097)	(56,260)	(268,640)	(2,664)
Intergovernmental Payable	(13,305)	(20,914)	(12,753)	(46,972)	(19,011)
Retainage Payable	-	(124,844)	-	(124,844)	-
Due to Other Funds	1,246	(756)	3,816	4,306	-
Compensated Absences Payable	-	-	-	-	(591,492)
Claims Payable	-	-	-	-	609,485
<i>Net Cash Provided (Used) by Operating Activities</i>	<u>\$ 3,549,202</u>	<u>\$ 2,702,859</u>	<u>\$ (152,370)</u>	<u>\$ 6,099,691</u>	<u>\$ (1,292,577)</u>
Non-Cash Investing, Capital and Financing Activities:					
Contributions of capital assets from county government	\$ -	\$ -	\$ 465,000	\$ 465,000	\$ -

See accompanying notes to the basic financial statements

City of Canton, Ohio
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2008

	Private Purpose Trust		Agency Funds
	Hartford Houtz		
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ -	\$	2,075,243
Cash and Cash Equivalents in Segregated Accounts	-		87,785
Investments in Segregated Accounts	132,446		
Total Assets	<u>\$ 132,446</u>	<u>\$</u>	<u>2,163,028</u>
Liabilities			
Due to Other Governments	\$ -	\$	1,564,267
Undistributed Assets	-		390,029
Deposits Held and Due to Others	-		208,732
Total Liabilities	<u>-</u>	<u>\$</u>	<u>2,163,028</u>
Net Assets - Held in Trust for Individuals	<u>\$ 132,446</u>		

See accompanying notes to the basic financial statements

City of Canton, Ohio
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the year ended December 31, 2008

	Private Purpose Trust
	<hr/>
	Hartford Houtz
	<hr/>
Additions	
Investment Earnings:	
Interest	\$ 2,370
Deductions	
Benefits	4,200
Total Deductions	<hr/> 4,200
Change in Net Assets	<hr/> (1,830)
<i>Net Assets-Beginning of Year</i>	134,276
<i>Net Assets-End of Year</i>	<hr/> \$ 132,446 <hr/>

See accompanying notes to the basic financial statements

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2008

NOTE 1 - DESCRIPTION OF THE CITY AND REPORTING ENTITY

The City of Canton (the City) is a municipal corporation incorporated under the laws of the State of Ohio. The City operates under a Mayor-Council form of government. The Mayor and Council are elected. The City provides police and fire protection, emergency medical, parks and recreation, planning, zoning, street maintenance and repair, refuse collection and general administrative services to the citizens of the City.

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that financial statements are not misleading. A primary government consists of all funds, departments, boards and agencies that are not legally separate from the City. The primary government of the City includes City departments and agencies that provide the following services: police protection, fire fighting and prevention, street maintenance and repairs, building inspection, parks and recreation, water, sewer and sanitation.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board; and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations for which the City authorizes the issuance of debt or the levying of taxes, or determines the budget. The City has the voting majority on the Canton Community Improvement Corporation (CCIC) Board with no other subdivisions having any representation, and the CCIC is completely dependent on the City for financial support. The City will report the financial status of the CCIC as a discretely presented component unit in its basic financial statements based on these criteria. A complete copy of the CCIC financial statements can be obtained by contacting the City's Community and Economic Development Department.

The City is associated with the Stark Area Regional Transit Authority, the Stark Council of Governments and the Stark County Regional Planning Commission as jointly governed organizations; Canton Tomorrow Inc., and the Downtown Canton Special Improvement District as joint ventures; and the Joint Recreation District as a related organization. See Notes 12, 13 and 14.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City also applies Financial Accounting Standards Board (FASB) Statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities provided they do not conflict with or contradict GASB pronouncements. The City has not elected to apply FASB statements and interpretations issued after November 30, 1989. The most significant of the City's accounting policies are described below.

Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a Statement of Net Assets and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid “doubling up” revenues and expenses. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

The Statement of Net Assets presents the financial condition of the governmental and business-type activities of the City at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the City’s governmental activities and for the business-type activities of the City. Direct expenses are those that are specifically associated with a service, program or department and therefore are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the City.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. The only exception is for contributions from the City’s Water, Sewer and Refuse Departments to the City’s Motor Vehicle Department, Computer Department, and the City’s Vehicle Self Insurance Fund. Activities of these three divisions are included with the Governmental-Activities, thus any contributions and corresponding expenses from other governmental funds are eliminated. This activity remains in the Business-Type funds in order to not distort the direct costs and program revenues reported for all of the functions involved.

Fund Financial Statements

During the year, the City segregates transactions related to certain City functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the City's major governmental funds:

General Fund - The General Fund accounts for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio.

Community and Economic Development Fund - To account for HUD Community and Economic Development Block Grant money used for the acquisition of real property, administrative costs, public facilities, and the rehabilitation of real property.

Capital Projects Fund - To account for the City's capital projects and expenditures of 20 percent of the net income tax receipts.

Motor Vehicle Purchase Fund - To account for the purchase and maintenance of the City's vehicles and expenditures of 5 percent of the net income tax receipts.

The other governmental funds of the City account for grants and other resources whose use is restricted to a particular purpose.

Proprietary Funds

Proprietary fund reporting focuses on changes in net assets, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service.

Enterprise Funds - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the City's major enterprise funds:

Water Operating Fund - The water operating enterprise fund accounts for the provision of water treatment and distribution to its residential and commercial users located within the City, and surrounding communities.

Sewer Operating Fund - The sewer operating enterprise fund accounts for the provision of sanitary sewer service to the residents and commercial users located within the City, and several surrounding communities.

Refuse Operating Fund - The refuse operating enterprise fund accounts for the provision of trash collection to the residents and commercial users located in the City.

Internal Service Funds - Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's internal service fund reports on a self-insurance program for employee medical benefits, compensated absences, and the City's retrospective rating worker's compensation benefits.

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City's only trust fund is a private-purpose trust fund established to account for monies donated to assist the poor of the City. The agency funds account for building permit fees collected on behalf of the State, municipal court collections that are distributed to various local governments, and the collection of payroll and employee deductions to be distributed to other governmental agencies. The City's agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Measurement Focus

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All non-fiduciary assets and all liabilities associated with the operation of the City are included on the Statement of Net Assets.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the Statement of Net Assets. The Statement of Changes in Fund Net Assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. The Statement of Cash Flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

The private-purpose trust fund is reported using the economic resources measurement focus.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, available means expected to be received within sixty days of year-end. Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (see Note 5). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: income tax, state-levied locally shared taxes (including gasoline tax), fines and forfeitures, interest, tuition, grants, fees and rentals.

Unearned/Deferred Revenue

Unearned or deferred revenue arise when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2008, but which were levied to finance year 2009 operations, have been recorded as deferred revenue. Special assessments not received within the available period and grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue on modified accrual only.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Appropriations

A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation ordinance must be passed by April 1 of each year, for the period January 1 to December 31. The appropriation ordinance fixes spending authority at the account level split between salary and non-salary line items. The appropriation ordinance may be amended during the year by action of Council, as new information becomes available, provided that total

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

fund appropriations do not exceed current estimated resources, as certified. The allocation of appropriations among account groups and departments within a fund may be modified during the year by an ordinance of council.

Lapsing of Appropriations

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and is not re-appropriated.

Cash and Cash Equivalents

To improve cash management, cash received by the City is pooled. Monies for all funds, except the private-purpose trust fund and funds requiring that interest proceeds follow the invested principal, are maintained in this pool. Individual fund integrity is maintained through the City's records.

The City utilizes financial institutions to service bonded debt as principal and interest come due. The balances in these accounts are presented as "Cash and Cash Equivalents with Fiscal Agent."

The City has segregated bank accounts for monies held separate from the City's central bank account. These monies are presented in the Statement of Fiduciary Net Assets as "Cash and Cash Equivalents in Segregated Accounts" and "Investments in Segregated Accounts" since they are not required to be deposited into the City treasury.

During 2008, investments were limited to certificates of deposit, a money market investment, repurchase agreements, and STAROhio.

Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements and nonnegotiable certificates of deposit are reported at cost.

STAROhio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price investments could be sold for on December 31, 2008.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the General Fund during 2008 amounted to \$1,185,050, which includes \$51,083, assigned from other City funds.

For purposes of the Statement of Cash Flows and for presentation on the Statement of Net Assets/Balance Sheet, investments with an original maturity of three months or less and investments of the cash management pool are considered to be cash equivalents.

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventory

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Inventories of the proprietary funds are expensed when used.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2008, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed.

Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide Statement of Net Assets and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of five thousand dollars. The City's infrastructure consists of bridges, culverts, storm sewers, streets, street lights, traffic signals and water and sewer lines. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of enterprise capital assets is also capitalized.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City Engineer's interpretation of historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities	Business-Type Activities
	Estimated Lives	Estimated Lives
Buildings & Structures	10 to 45 years	10 to 45 years
Vehicles & Equipment	10 to 15 years	10 to 15 years
Infrastructure	10 to 50 years	10 to 50 years

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Balances

On fund financial statements, long-term interfund loans are classified as “Due to/From Other Funds” on the balance sheet and are equally offset by a fund balance reserve account, which indicates that they do not constitute available expendable resources. These amounts are eliminated in the governmental and business-type activities columns of the Statement of Net Assets, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Compensated Absences

The City reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences." Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. The City records a liability for accumulated unused vacation time when earned for all eligible employees with more than one year of service.

Sick leave benefits are accrued as a liability using the termination method. An accrual for unused earned sick leave is made to the extent that it is probable that benefits will result in termination payments. The liability is an estimate based on the City's past experience of making termination payments.

The entire compensated absence liability is reported on the government-wide financial statements.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, capital leases and long-term loans are recognized as a liability on the fund financial statements when due.

Fund Balance Reserves

The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and therefore are not available for appropriation or expenditure. As a result, encumbrances, inventories, amounts due from other funds and loans receivable are recorded as a reservation of fund balance. Amounts due from other funds is reserved in the “Other Purpose” line item.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water services, sewer treatment, refuse collection, the workers compensation, health insurance, and compensated absences claims internal service funds. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in business-type activities. Interfund transfers are eliminated when reported in the entity wide financial statements for both the governmental and business-type activities. Transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund, and as a reduction of expenditures/expenses in the fund that is reimbursed.

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City Administration and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2008.

Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2008

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING

While the City is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual presented for the General Fund and Major Special Revenue Fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues and other sources are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures and other uses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).
4. Unreported cash (cash on hand) represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statement.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund and the Community and Economic Development Fund.

Net Change in Fund Balance

	General Fund	Community and Economic Development Fund
GAAP Basis	\$ (1,521,852)	\$ (1,635,002)
Net Adjustment for Revenue Accruals	582,663	224,954
Net Adjustment for Expenditure		
Accruals	(1,813,027)	(723,721)
Encumbrances	132,423	111,862
Budget Basis	<u>\$ (2,619,793)</u>	<u>\$ (2,021,907)</u>

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2008

NOTE 4 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the City into three categories.

Active deposits are public deposits necessary to meet current demands on the City treasury. Active monies must be maintained either as cash in the City treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that Council has identified as not required for use within the current 5-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies, which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds with the City Auditor by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Interim monies may be invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreements must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
6. The State Treasurer's investment pool (STAROhio).

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2008

NOTE 4 - DEPOSITS AND INVESTMENTS (Continued)

Investments in stripped principal or interest obligation, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Cash on Hand

At year-end, the City had \$99,691 in undeposited cash on hand which is included on the Financial Statements of the City as part of "Cash and Cash Equivalents."

Deposits with Financial Institutions

At December 31, 2008, the carrying amount of all City deposits was \$7,553,335. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures," as of December 31, 2008, the City's bank balance was \$53,385,142 of which \$51,385,142 was exposed to custodial risk as discussed below, while \$2,000,000 was covered by Federal Deposit Insurance Corporation.

Custodial credit risk is the risk that, in the event of bank failure, the City's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the City.

Investments

As of December 31, 2008, the City had the following investments and maturities:

Investment type	Balance at Fair Value	Investment Maturities	
		6 months or less	7 to 12 months
Certificates of Deposit	\$ 37,500,000	\$ 29,500,000	\$ 8,000,000
Money Markets	3,095,702	3,095,702	-
Star Ohio	3,275,300	3,275,300	-
Total Investments	<u>\$ 43,871,002</u>	<u>\$ 35,871,002</u>	<u>\$ 8,000,000</u>

The weighted average maturity is .37 years.

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2008

NOTE 4 - DEPOSITS AND INVESTMENTS (Continued)

Credit Risk: The City has investments, in Star Ohio. Standard & Poor's has assigned Star Ohio AAAM money market rating. Ohio law requires that Star Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The City has no policy further restricting credit risk beyond the statutory guidelines, which limit investment choices.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. For the City's investments in certificates of deposit the entire balance is collateralized by underlying securities pledged by the investment's counterparty, not in the name of the City.

The following table includes the percentage of each investment type held by the City at December 31, 2008:

Investment type	Fair Value	% of Total
Certificates of Deposit	\$ 37,500,000	85.48
Money Markets	3,095,702	7.06
Star Ohio	3,275,300	7.46
Total Investment	<u>\$ 43,871,002</u>	<u>100.00</u>

Reconciliation of Cash and Investment to the Statement of Net Assets

The following is a reconciliation of cash and investments as reported in the footnote above to cash and investments as reported on the financial statements as of December 31, 2008:

<u>Cash and Investments per footnote</u>	
Carrying amount of deposits	\$ 7,553,335
Investments	<u>43,871,002</u>
Total	<u>\$ 51,424,337</u>
<u>Cash and Investments per Statement of Net Assets</u>	
Governmental Activities	\$ 34,057,965
Business Type Activities	15,070,898
Fiduciary Funds	<u>2,295,474</u>
Total	<u>\$ 51,424,337</u>

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2008

NOTE 5 - RECEIVABLES

Receivables at December 31, 2008, consisted of taxes, accounts (billings for user charged services), loans and intergovernmental receivables. All of these receivables, except loans receivable, are considered fully collectible.

No allowances for doubtful accounts have been recorded because uncollectible amounts are expected to be insignificant.

Special assessments expected to be collected in more than one-year amount to \$16,854 in the Debt Service Fund, and \$906,313 for the other governmental funds. Special assessments are included in either accounts receivable or taxes receivable.

Property Taxes

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2008 for real and public utility property taxes represents collections of the 2007 taxes. Property tax payments received during 2008 for tangible personal property (other than public utility property) is for 2008 taxes.

2008 real property taxes are levied after October 1, 2008, on the assessed value as of January 1, 2008, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2008 real property taxes are collected in and intended to finance 2009.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 25 percent of true value. 2008 public utility property taxes became a lien December 31, 2007, are levied after October 1, 2008, and are collected in 2009 with real property taxes.

2008 tangible personal property taxes are levied after October 1, 2007, on the value as of December 31, 2007. Collections are made in 2008. Tangible personal property assessments are 12.5 percent of true value.

The assessed value upon which the 2008 taxes were collected was \$993,257,116. Real estate represented 86.12 percent (\$907,557,790) of this total, public utility tangible personal property represented 4.34 percent (\$37,092,700) and general tangible personal property represented 9.54 percent (\$48,606,626). The tax rates per \$1,000 of assessed valuation for the year ended December 31, 2008, for all City operations applied to taxable property in the following taxing districts within the City limits was \$3.40 for District 2 – Canton City School District, \$2.00 for District 3 – Plain Local School District, and \$2.60 for District 4 – Canton Local School District.

Real property taxes are payable annually or semiannually. If paid annually, the payment is due by December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single-county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30 with the remainder payable at September 20.

The County Treasurer collects property taxes on behalf of all taxing districts in the county including the City of Canton. The County Auditor periodically remits to the City its portion of the taxes. Property taxes other

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2008

NOTE 5 - RECEIVABLES (Continued)

receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies, which are measurable as of December 31, 2008. Although total property tax collections for the next year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31, nor are they intended to finance 2008 operations. The receivable is offset by deferred revenue.

Income Taxes

The City levies a municipal income tax of two percent on all salaries, wages, commissions and compensation, and net profits earned within the City as well as incomes of residents earned outside of the City. In the latter case, the City allows a credit of 100 percent of the tax paid to another municipality to a maximum of the total amount assessed.

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly, as required. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. By City ordinance, income tax proceeds, after income tax department expenditures, are credited to the following funds: 75 percent to the General Fund, 20 percent to the Capital Projects and 5 percent to the Motor Vehicle Purchase Capital Projects Funds.

Due From Other Governments

A summary of intergovernmental receivables follows:

	<u>Amounts</u>
Governmental Activities	
Local Government and Local Government	
Revenue Assistance	\$ 3,499,730
Hotel Tax	12,566
Charges for Services	354,416
Courts	316,108
Gasoline and Excise Tax	1,028,571
Motor Vehicle Tax	147,641
Grants	7,323,541
Total Governmental Activities:	<u>12,682,573</u>
Business Activities	
Principal	6,256
Grants	34,000
Total Business-Type Activities:	<u>40,256</u>
Total	<u><u>\$ 12,722,829</u></u>

Loans Receivable

The special revenue funds reflect community development loans receivable in the amount of \$1,553,011. The loans receivable represent the principal owed to the City for Community Development Block Grants. The loans bear interest at annual rates between 0 and 11 percent. The loans are to be repaid over periods ranging from 2 months to 20 years.

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2008

NOTE 6 - RISK MANAGEMENT

Workers' Compensation

Since 1989, the City has participated in the Ohio Bureau of Workers' Compensation Retrospective Rating Plan. Under the retrospective rating plan, the City assumes a portion of the risk in return for a reduction in current premiums. Current limits for claims incurred in 2008 are \$200,000 per claim.

A minimum premium for fixed costs is charged by the Ohio Bureau of Workers' Compensation. A maximum premium, the employer's experience-rated premium multiplied by the maximum percentage selected by the employer, may be charged back to the City for a ten-year evaluation period per claim. For the policy year 2008, the City selected Tier 1 which calls for no claim limit and a 150 percent maximum premium limit.

The claims liability of \$2,100,000 reported in the Workers Compensation Internal Service Fund at December 31, 2008, is based on the requirements of GASB Statement No. 10 which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in claims activity for the past two years are as follows:

	Balance			Balance
	Beginning	Claims	Claim	End
	of Year	Incurred	Payments	of Year
2007	\$ 2,730,700	\$ 745,542	\$ 1,465,520	\$ 2,010,722
2008	2,010,722	1,536,115	1,446,837	2,100,000

Property and Liability

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The City contracts with Affiliated FM Insurance Company through Leonard Insurance Services for commercial property coverage, which has a \$415,202,611 limit and a \$100,000 deductible. The City also contracts with Cincinnati Insurance Company through Leonard Insurance Services Agency Inc. for boiler and machinery coverage, which has a \$1,000,000 limit and a \$2,500 deductible. The City contracts with Ohio Plan Risk Management, Inc. through Hylant Administrative Services for automobile combined coverage, which has a \$6,000,000 limit and a \$125,000 deductible. The City also contracts with Ohio Plan Risk Management, Inc. for liability coverages, which includes general liability, employer's, employee benefits and public officials. Each of these coverages has a \$6,000,000 limit with a \$125,000 deductible.

The City's elected officials are bonded for their respective terms. In addition, several specific employees (i.e., court bailiffs) are bonded where required by Ohio Revised Code.

Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been significant reduction in coverage from the prior year.

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2008

NOTE 6 - RISK MANAGEMENT (Continued)

Medical

The City has elected to provide employees' major medical, hospitalization, prescription, dental and vision coverage through a self-insured program. The City maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. The City purchases stop-loss coverage of \$150,000 specific per family. The third party administrators, Aultcare and Anthem Blue Cross, review all claims, which are then paid by the City.

The claims liability of \$1,387,673 reported in the Health Insurance Internal Service Fund at December 31, 2008, is estimated by the third-party administrators and is based on the requirements of GASB Statement No. 10, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not report claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the fund's claims liability amount for the last two years follow:

	Balance Beginning of Year	Claims Incurred	Claim Payments	Balance End of Year
2007	\$ 877,103	\$ 7,917,291	\$ 8,013,276	\$ 781,118
2008	781,118	8,385,179	7,778,624	1,387,673

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2008, was as follows:

	(Restated) Balance 12/31/07	Additions	Deductions	Balance 12/31/08
Governmental Activities				
Capital Assets, not being depreciated:				
Land	\$ 7,131,285	\$ 584,812	\$ -	\$ 7,716,097
Construction in Progress	8,159,235	5,727,042	(2,693,842)	11,192,435
Total Capital Assets, not being Depreciated	15,290,520	6,311,854	(2,693,842)	18,908,532
Capital Assets, being Depreciated				
Buildings and Structures	41,276,223	1,476,155	-	42,752,378
Vehicles and Equipment	28,080,925	857,450	(716,645)	28,221,730
Infrastructure	340,406,155	3,405,642	(270,339)	343,541,458
Total Capital Assets, being Depreciated	409,763,303	5,739,247	(986,984)	414,515,566

(Continued)

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2008

NOTE 7 - CAPITAL ASSETS (Continued)

	(Restated) Balance 12/31/07	Additions	Deductions	Balance 12/31/08
Less Accumulated Depreciation				
Buildings and Structures	\$ (17,011,986)	\$ (1,080,436)	\$ -	\$ (18,092,422)
Vehicles and Equipment	(16,853,241)	(2,126,541)	659,142	(18,320,640)
Infrastructure	(285,665,894)	(4,093,564)	215,100	(289,544,358)
Total Accumulated Depreciation	<u>(319,531,121)</u>	<u>(7,300,541) *</u>	<u>874,242</u>	<u>(325,957,420)</u>
Total Capital Assets, being Depreciated, net	<u>90,232,182</u>	<u>(1,561,294)</u>	<u>(112,742)</u>	<u>88,558,146</u>
Governmental Activities Capital Assets, net	<u>\$ 105,522,702</u>	<u>\$ 4,750,560</u>	<u>\$ (2,806,584)</u>	<u>\$ 107,466,678</u>
 Business-Type Activities				
Capital Assets, not being depreciated				
Land	\$ 2,631,525	\$ -	\$ -	\$ 2,631,525
Construction in Progress	<u>3,881,737</u>	<u>5,117,783</u>	<u>(1,410,537)</u>	<u>7,588,983</u>
Total Capital Assets, not being Depreciated	<u>6,513,262</u>	<u>5,117,783</u>	<u>(1,410,537)</u>	<u>10,220,508</u>
Capital Assets, being Depreciated				
Buildings and Structures	89,999,514	-	-	89,999,514
Vehicles and Equipment	10,178,541	512,795	(7,789)	10,683,547
Infrastructure	<u>150,380,565</u>	<u>2,478,741</u>	<u>-</u>	<u>152,859,306</u>
Total Capital Assets, being Depreciated	<u>250,558,620</u>	<u>2,991,536</u>	<u>(7,789)</u>	<u>253,542,367</u>
Less Accumulated Depreciation				
Buildings and Structures	(48,288,093)	(1,903,447)	-	(50,191,540)
Vehicles and Equipment	(7,397,976)	(519,673)	7,400	(7,910,249)
Infrastructure	<u>(114,585,258)</u>	<u>(1,475,138)</u>	<u>-</u>	<u>(116,060,396)</u>
Total Accumulated Depreciation	<u>(170,271,327)</u>	<u>(3,898,258)</u>	<u>7,400</u>	<u>(174,162,185)</u>
Total Capital Assets, being Depreciated, net	<u>80,287,293</u>	<u>(906,722)</u>	<u>(389)</u>	<u>79,380,182</u>
Business-Type Activities Capital Assets, net	<u>\$ 86,800,555</u>	<u>\$ 4,211,061</u>	<u>\$ (1,410,926)</u>	<u>\$ 89,600,690</u>

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2008

NOTE 7 - CAPITAL ASSETS (Continued)

* Depreciation expense was charged to governmental functions as follows:

General Government	\$ 538,807
Security of Persons and Property	1,516,885
Public Health	87,525
Transportation	4,503,280
Community Development	7,944
Leisure Time Activities	646,100
Total Depreciation Expense	<u>\$ 7,300,541</u>

NOTE 8 - COMPENSATED ABSENCES

The criteria for determining vacation and sick leave components are derived from negotiated agreements, City ordinances and State laws. Employees earn two to six weeks of vacation per year, depending upon length of service. Twelve days of vacation may be carried forward into the next year.

Employees may bank up to 75 days earned vacation time toward retirement, payable at retirement or termination. No more than 15 days of earned vacation may be banked in any one-year in minimum increments of five days. In March 2003, the City eliminated banked vacation for individuals in management and non-bargaining classifications. In lieu of, or in addition to banking vacation, an employee may request to receive cash payment for unused vacation of no more than 10 days per year in minimum increments of five days calculated at 90 percent of the current rate of pay. Employees must declare their desire to receive cash payment no later than October 1 of each year. Payment shall be made on the first regular pay day in November of each year. Approval of the cash payment is within the sole discretion of the appointing authority.

Employees earn sick leave at the rate 4.6 hours per 80 hours worked. Sick leave accumulation is unlimited. Upon retirement or death, an employee can be paid 100 percent to a maximum of 150 days of accumulated, unused sick leave. Firefighters and police can be paid 100 percent to a maximum of 187.5 days or 1,500 hours, respectively. All other employees can be paid 100 percent to a maximum of 150 days or 1,200 hours.

In 2004, the City established a Compensated Absences Claim Fund for the purpose of depositing sick expense premiums from the employees labor fund distribution to pay both current and previous unfunded compensated absences. The expense associated with current and future obligations is being charged as a direct claim against the Compensated Absences Claim Fund. The premium supporting the fund is included in the personal service charge for each fund. The premium is equal to 125% of the total cost of the sick leave accrued on biweekly payrolls.

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2008

Note 9 – LONG-TERM OBLIGATIONS

General Obligation Bonds

The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. The City's most recent general obligation bond issuance was for 10 years and came in 2006 at a total value of \$23,220,000. The purpose was for building construction and renovation, infrastructure and roadway improvements, recreational facility construction, and refinancing of existing bonds.

The remainder of the City's general obligation bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Original Amount</u>
Governmental Activities, 1993 Various Purpose Refunding	2.5 - 5.375%	\$ 6,375,000
Governmental Activities, 1998 Pension Refunding	3.15 - 1.75%	6,080,000
Governmental Activities, 1999 Various Purpose Bonds	3.50%	6,635,000
Governmental Activities, 2001 Radio Communication	4.0 - 2.25%	5,610,000
Governmental Activities, 2006 Various Purpose	4.00%	13,650,000
Business-Type Activities, 1993 Various Purpose Refunding	2.5 - 5.375%	2,365,000
Business-Type Activities, 1998 Utility System	4.1 - 5.0%	7,995,000
Business-Type Activities, 2006 Various Purpose/Refunding	4.00%	9,570,000
		<u>\$ 58,280,000</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

General Obligation Bonds

<u>Year Ending December 31</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2009	2,568,586	929,324	896,414	314,301
2010	2,683,553	825,515	931,447	278,445
2011	2,799,399	715,351	970,601	241,187
2012	2,225,245	598,954	1,009,754	202,362
2013	2,321,092	504,603	1,048,908	161,972
2014-2018	9,059,073	1,045,582	3,000,414	227,257
Total	<u>\$ 21,656,948</u>	<u>\$ 4,619,329</u>	<u>\$ 7,857,538</u>	<u>\$ 1,425,524</u>

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2008

NOTE 9 - LONG-TERM OBLIGATIONS (Continued)

The City has annual debt requirements for the following three loans, all related to governmental activities. A Housing and Urban Development loan was entered into in 1995 for the Cornerstone improvement and construction project. The interest rate for this loan is 4% with an original outstanding balance of \$2,320,000. In 2004, the City chose to refinance the outstanding balance of the Housing and Urban Development loan resulting in a savings in interest payments. The balance refinanced was \$1,650,000 with an interest rate of 2.31% for the first payment rising incrementally to 5.19% for the final payment. A State Infrastructure Bank loan was entered into in 1998 for the Market Avenue Streetscape project. The interest rate for this loan is 4% with an original outstanding balance of \$1,179,031. Finally, a State of Ohio Urban Redevelopment loan was issued in 2000, with an interest rate of 4% and an original outstanding balance of \$1,650,916 and was used to build the Millennium Parking Deck. These loans were all issued as part of the City's continuing effort to improve its downtown business district.

Annual debt service requirements to maturity for the Housing and Urban Development Loan, the State Infrastructure Bank Loan, and the Urban Redevelopment Loan are as follows:

			State Infrastructure Bank Loan	
			Year Ending	Governmental Activities
			December 31	Principal Interest
			2009	65,079 35,064
			2010	67,873 32,269
			2011	70,788 29,354
			2012	73,828 26,314
			2013	77,000 23,142
			2014-2018	437,542 63,168
			2019-2023	51,572 1,042
			Total	\$ 843,682 \$ 210,353
Housing and Urban Development Loan				
Year Ending	Governmental Activities			
December 31	Principal	Interest		
2009	310,000	13,392		
Total	\$ 310,000	\$ 13,392		

**Urban Redevelopment Loan
(Millenium Parking Deck)**

Year Ending	Governmental Activities	
December 31	Principal	Interest
2009	117,200	39,341
2010	121,888	34,360
2011	126,763	29,180
2012	131,834	23,793
2013	137,107	18,190
2014-2018	290,885	18,666
Total	\$ 925,677	\$ 163,530

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2008

NOTE 9 - LONG-TERM OBLIGATIONS (Continued)

The City entered into various loan agreements with the Ohio Public Works Commission for the purpose of improving the water pollution control and storm sewer operations. These are interest free loans. The City has pledged future revenues, net of operating expenses, in the Sewer Operating Fund to repay loans used to renovate the water pollution control system. The debt is payable from net revenues and is payable through 2023. Annual principal payments on the debt issues are expected to require 1.5 percent of net revenues. The total principal remaining to be paid on the debt is \$98,897. Principal paid for the current year and total net revenues were \$52,130 and \$3,536,063, respectively. The following is a list of outstanding debt with the Ohio Public Works Commission.

<u>Purpose</u>	<u>Interest Rates</u>	<u>Original Amount</u>
Governmental Activities, 35th St. N.E. Storm Sewer Reconstruction	0.00%	380,812
Governmental Activities, Market Ave North Sewer Replacement	0.00%	300,000
Business-Type Activities, Water Pollution Control Center	0.00%	724,423
Business-Type Activities, Harmont Ave Pump Station	0.00%	107,900
		<u>\$ 1,513,135</u>

Annual debt service requirements to maturity for Ohio Public Works Commission loans are as follows:

Ohio Public Works Commission Loan				
Year Ending	Governmental Activities		Business-Type Activities	
December 31	Principal	Interest	Principal	Interest
2009	40,387	-	28,762	-
2010	40,387	-	5,395	-
2011	40,387	-	5,395	-
2012	40,387	-	5,395	-
2013	40,387	-	5,395	-
2014-2018	189,248	-	26,975	-
2019-2023	75,000	-	21,580	-
2024-2028	22,500	-	-	-
Total	<u>\$ 488,683</u>	<u>\$ -</u>	<u>\$ 98,897</u>	<u>\$ -</u>

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2008

NOTE 9 - LONG-TERM OBLIGATIONS (Continued)

The City entered into various loan agreements with the Ohio Water Development Authority for the purpose of improving and expanding both the water and the water pollution control operations. The City has pledged future revenues, net of operating expenses, to repay these loans in the business-type activities funds. The debt is payable from net revenues and is payable through 2023. Annual principal and interest payments on the debt issues are expected to require 20.6 percent of net water operating revenue and 27.8 percent of net sewer operating revenue. The total principal and interest remaining to be paid on the debt is \$5,118,957 for water and \$10,817,495 for sewer. Principal and interest paid for the current year and total net revenues were \$840,033 and \$4,084,672, respectively for water and \$983,408 and \$3,536,063 respectively for sewer. The Ohio Water Development Authority loans outstanding were as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Original Amount</u>
Steiner Heights Water Line Extension	6.39%	591,671
Plain Township Water Line Extension (55th St)	4.74%	1,653,459
Water Main Extension (Norwood Hills)	4.55%	527,230
Perry Township Water Extension	4.65%	1,459,754
Lake Local School Waterline	4.64%	1,980,974
Lawrence Chester Water Main Extension	5.01%	250,606
Water Infrastructure Capital Improvement Plan	3.25%	3,338,517
Osnaburg Water Main Extension	3.62%	1,402,001
Water Pollution System	2.64%	14,230,181
NW Water Plant Improvement	3.25%	175,000
Discharge Line (J.L.)	4.56%	835,606
		<u>\$ 26,444,999</u>

Annual debt service requirements to maturity for Ohio Water Development Authority loans are as follows:

Ohio Water Development Authority Loan		
Year Ending	<u>Business-Type Activities</u>	
December 31	<u>Principal</u>	<u>Interest</u>
2009	1,197,967	430,946
2010	1,200,950	387,472
2011	1,201,760	346,172
2012	1,176,331	305,390
2013	1,029,996	267,529
2014-2018	5,503,363	839,512
2019-2023	1,930,018	119,046
Total	<u>\$ 13,240,385</u>	<u>\$ 2,696,067</u>

During 2008, the Water Infrastructure Capital Improvement Project and the Osnaburg Water Main Extension Project continued receiving OWDA loan proceeds and the Northwest Water Treatment Plant Improvement Project began receiving OWDA loan proceeds. As of year-end, the Infrastructure project received \$2,855,053 of a potential \$3,338,517 and the Northwest project received \$102,110 of a potential \$175,000. During 2008, the Osnaburg project received \$101,717 to bring the total received to \$1,402,001. As of the end of the audit period, the final amount borrowed for the Infrastructure and Northwest project was not yet determined and no payment schedules were available for any of the three projects. Consequently, none of the three loans were included in the yearly break down shown above nor was there an amount calculated as being due within one year in the schedule that follows.

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2008

NOTE 9 - LONG-TERM OBLIGATIONS (Continued)

Changes in long-term obligations of the City during the year ended December 31, 2008, were as follows:

	Outstanding 12/31/07	Additions	Reductions	Outstanding 12/31/08	Due Within One Year
<i>Business Type Activities</i>					
OPWC Loan:					
Sewer Fund:					
Water Pollution Control					
Center 0%	\$ 70,102	-	(46,735)	\$ 23,367	\$ 23,367
2003 Harmont Lift Station 0%	80,925	-	(5,395)	75,530	5,395
Total OPWC Loans	<u>151,027</u>	<u>-</u>	<u>(52,130)</u>	<u>98,897</u>	<u>28,762</u>
OWDA Loans:					
Water Fund:					
2001 Water Main Extension (Norwood Hills) 4.55%	239,660	-	(55,936)	183,724	58,510
2000 Steiner Heights Water Line Extension 6.39%	184,402	-	(70,302)	114,100	74,866
2001 Plain Township Water Line Ext. (55th St) 4.74%	1,340,381	-	(66,108)	1,274,273	69,278
2002 Perry Twshp Water Extension 4.65%	813,386	-	(148,075)	665,311	155,041
2002 Lake Schl Water 4.64%	1,641,651	-	(77,825)	1,563,826	81,478
2003 Lawrence Water Main Extension 5.01%	176,588	-	(23,611)	152,977	24,809
2007 Infrast Cap Imprv 3.25%	1,168,485	1,686,568	(60,396)	2,794,657	-
2007 Osnaburg Water Main Extension 3.62%	1,266,264	101,717	(34,636)	1,333,345	-
2008 NW Wtr Plant Imprv 3.25%	-	102,110	-	102,110	-
Sewer Fund:					
1997 Water Pollution System 2.64%	9,424,343	-	(675,749)	8,748,594	693,941
1999 Discharge Line (J.L.) 4.56%	576,141	-	(38,561)	537,580	40,044
Total OWDA Loans	<u>16,831,301</u>	<u>1,890,395</u>	<u>(1,251,199)</u>	<u>17,470,497</u>	<u>1,197,967</u>
General Obligation Bonds:					
Water Fund:					
1998 Utility System 4.1%-5%	650,000	-	(650,000)	-	-
2006 Refunding Bonds 4.0%	6,716,158	-	(664,950)	6,051,208	690,342
Sewer Fund:					
2006 Various Purpose 4.0%	2,004,823	-	(198,493)	1,806,330	206,072
1998 Utility System 4.1%-5%	650,000	-	(650,000)	-	-
Refuse Fund:					
2006 Various Purpose 4.0%	273,385	-	(273,385)	-	-
Total General Obligation Bonds	<u>10,294,366</u>	<u>-</u>	<u>(2,436,828)</u>	<u>7,857,538</u>	<u>896,414</u>
Compensated Absences	1,375,430	707,488	(746,033)	1,336,885	315,658
Capital Lease	48,450	-	(12,111)	36,339	12,112
<i>Total Business Type Activities</i>	<u>\$28,700,574</u>	<u>\$2,597,883</u>	<u>\$ (4,498,301)</u>	<u>\$ 26,800,156</u>	<u>\$ 2,450,913</u>

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2008

NOTE 9 - LONG-TERM OBLIGATIONS (Continued)

	Outstanding 12/31/07	Additions	Reductions	Outstanding 12/31/08	Due Within One Year
<i>Governmental Activities</i>					
General Obligation Bonds:					
1998 Pension Refunding					
Bonds 3.15%-1.75%	4,400,000	-	(320,000)	4,080,000	330,000
1999 Various Purpose					
Bonds 3.50%	4,825,000	-	(345,000)	4,480,000	360,000
2001 Radio Communication					
Bonds 4.0%-2.25%	2,475,000	-	(585,000)	1,890,000	600,000
2006 Various Purpose 4.0%	12,165,120	273,385	(1,231,557)	11,206,948	1,278,586
Total General Obligation Bonds	23,865,120	273,385	(2,481,557)	21,656,948	2,568,586
1995 HUD Loan 2.31%-5.19%	645,000	-	(335,000)	310,000	310,000
1998 SIB Loan	903,535	-	(59,853)	843,682	65,079
2000 Legal Claims	149,500	-	(27,600)	121,900	27,600
2000 Millenium Parking					
Deck Loan 4%	1,038,369	-	(112,692)	925,677	117,200
OPWC Loan:					
2003 35th St NE					
Storm Sewer 0%	266,570	-	(25,387)	241,183	25,387
2004 Market Ave Sewer 0%	262,500	-	(15,000)	247,500	15,000
Total OPWC Loans	529,070	-	(40,387)	488,683	40,387
Compensated Absences	7,287,432	2,627,508	(3,180,455)	6,734,485	1,239,919
Capital Leases	515,030	87,149	(136,724)	465,455	144,994
Total Governmental Activities	34,933,056	2,988,042	(6,374,268)	31,546,830	4,513,765
Totals	\$ 63,633,630	\$ 5,585,925	\$ (10,872,569)	\$ 58,346,986	\$ 6,964,678

*Note: The above schedule of long-term debt obligations would differ from the government wide Statement of Net Assets as a result of the compensated absences payable associated with business activities being included with the long-term liabilities of the governmental activities. The internal service Compensated Absences Claim Fund is responsible for the payment of both the governmental and business type compensated absences liabilities. Since governmental activities are the primary user of the internal service funds, GAAP requires the internal service funds to be reported with the governmental activities. The result is a discrepancy of \$1,336,885 between the debt reflected in the above schedule for governmental and business type activities and the debt numbers reflected in the Due in More Than One Year line item on the Statement of Net Assets on page 13. A similar discrepancy of \$315,658 results for the Due Within One Year line item. The City's overall legal debt margin was \$86,718,269 and an unvoted debt margin of \$37,055,413 at December 31, 2008.

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2008

NOTE 10 - DEFINED BENEFIT PENSION PLANS

Ohio Public Employees Retirement System

The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

The 2008 member contribution rates were 10.0% for members in the state and local classifications. Public safety and law enforcement members contribute 10.1%. The 2008 employer contribution rate for state and local employers was 14.0% of covered payroll. For both the law enforcement and public safety divisions, the employer contribution rate for 2008 was 17.4%. The Ohio Revised Code provides statutory authority for member and employer contributions. For 2008, member and employer contribution rates were consistent across all three plans. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan. The contribution rates are determined actuarially. For 2008, the employer contribution allocated to the health care plan was 7.0% of covered payroll. The City's required contributions to OPERS for the years ended December 31, 2008, 2007, and 2006 were \$4,162,668, \$3,932,382, and \$3,589,118, respectively. The full amount has been contributed for 2007 and 2006. 92.36 percent has been contributed for 2008 with the remainder being presented as "Due to Other Governments" in the payroll clearing, agency fund. Contributions to the member-directed plan for 2008 were \$4,162,668 made by the City and \$2,973,335 made by the plan members or by the City on their behalf where contracts and ordinances dictate.

Ohio Police and Fire Pension Fund

The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual-cost-of living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to the Ohio Police and Firemen's Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2008

NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued)

Police and firefighters are required to contribute 10 percent of their annual covered salary to fund pension obligations and for 2008 the City was required to contribute 19.5 percent for police and 24.0 percent for firefighters. Contributions are authorized by State statute. For 2008, a portion of the City's contribution equal to 6.75 percent of covered payroll was allocated to fund the post-employment health care plan. The City's contributions to the fund for police and firefighters were \$2,077,463 and \$2,389,567 for the year ending December 31, 2008, \$2,028,394 and \$2,260,930 for the year ended December 31, 2007, \$1,938,374 and \$2,103,337 for the year ended December 31, 2006. The full amount has been contributed for 2007 and 2006. 77.07 and 76.25 percent, respectively, have been contributed for 2008 with the remainder being presented as "Due to Other Governments" in the payroll clearing, agency fund.

NOTE 11 - POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the traditional and the combined plans. Health care coverage for disability recipients and qualified survivor benefit recipients is available. Members of the member-directed plan do not qualify for ancillary benefits, including post-employment health care coverage. The Ohio Revised Code permits, but does not require OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on the authority granted by Ohio Revised Code Chapter 145. In 2008, state and local employers contributed at a rate of 14.0% of covered payroll, and public safety and law enforcement employers contributed at 17.4%. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0 percent of covered payroll for state and local employer units and 18.1% of covered payroll for law and public safety employer units. Active members do not make contributions to the post-employment benefit plan. OPERS' post employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. For 2008, the employer contribution allocated to the health care plan was 7.0% of covered payroll. The OPERS retirement board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Benefits are advanced-funded using the individual entry age normal actuarial cost method of valuation, which is used in determining the present value of other post employment benefits. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2007. The investment assumption rate for 2007 was 6.5 percent. An annual increase of 4.0%, compounded annually, is the base portion off the individual pay increase assumption. This assumes no change in the number of active employees. In addition, an annual pay increases over and above the 4.0% base increase, were assumed to range from 0.50% to 6.30%. Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from .5 to 4% annually for the next 7 years and 4 percent annually in subsequent years.

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2008

NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)

All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12 percent corridor.

The number of active contributing participants in the traditional and combined plans was 363,503. The number of active contributing participants for both plans used in the December 31, 2007 actuarial valuation was 364,076. Actual City contributions for 2008 that were used to fund postemployment benefits were \$2,081,334. The actual contributions and the actuarially required contribution amounts are the same. The actuarial value of OPERS's net assets available for payment of benefits at December 31, 2007, (the latest information available) was \$12.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.8 billion and \$17.0 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. To improve the solvency of the Health Care Fund, OPERS created a separate investment pool for health care assets. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008, which will allow additional funds to be allocated to the health care plan.

Ohio Police and Fire Pension Fund

The City contributes to the OP&F sponsored healthcare program, a cost-sharing multiple-employer defined postemployment healthcare plan administered by OP&F. OP&F provides healthcare benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents. OP&F provides access to post-retirement healthcare coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The healthcare coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement No. 45.

The Ohio Revised Code allows, but does not mandate OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide healthcare coverage to eligible participants and to establish and amend benefits are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the Plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, OH 43215-5164.

The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F (defined benefit pension plan). Participating employers are required to contribute to the pension plan at rates as percentages of the payroll of active pension plan members, currently, 19.5 percent and 24 percent of covered payroll for police and fire employers, respectively. The Ohio Revised Code states the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administered as an Internal Revenue Code 401 (h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OP&F Board of Trustees.

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2008

NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the 401(h) account as the employer contribution for retiree healthcare benefits. For the year ended December 31, 2008, the employer contribution allocated to the healthcare plan was 6.75% of covered payroll. The amount of employer contributions allocated to the healthcare plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and also is limited by the provisions of Section 401(h).

The OP&F board of trustees also is authorized to establish requirements for contributions to the healthcare plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's actual contributions for 2008 that were used to fund postemployment benefits were \$719,218 for police and \$672,185 for fire. OP&F's total health care expense for the year ended December 31, 2007, (the latest information available) was \$93,205,319, which was net of member contributions of \$56,031,875. The number of OP&F participants eligible to receive health care benefits as of December 31, 2007, was 14,295 for police and 10,583 for firefighters.

NOTE 12 - JOINT VENTURES

Canton Tomorrow Inc.

The City participates in Canton Tomorrow, Inc., formed under Chapter 1702 of the Ohio Revised Code. Of the 26 member board, the City appoints three members. The degree of control exercised by any participating government is limited to its representation on the board. Canton Tomorrow, Inc., was formed to serve as a catalyst to bring together the vision, initiative and action necessary for the continuing revitalization of the City. Continued existence of Canton Tomorrow, Inc. is dependent on the City's continued participation, despite its minimal contribution to the overall budget; however, the City does not have an equity interest in Canton Tomorrow, Inc. (Agency). The Agency is not accumulating significant financial resources or experiencing fiscal stress, which would cause additional financial benefit or burden to the City. Canton Tomorrow's funding comes from a grant given by the City to the Canton Regional Chamber of Commerce. In 2008, the grant was for \$175,000 and the Chamber of Commerce is responsible for dividing it up amongst is various agencies like Canton Tomorrow. Complete financial statements can be obtained from Canton Tomorrow, Inc.

Downtown Canton Special Improvement District

The City participates in the Downtown Canton Special Improvement District (District), formed under Chapter 1710 of the Ohio Revised Code. Of the 13 member board, the City appoints two members. The degree of control exercised by any participating government is limited to its representation on the board. The District was created for the purpose of developing and implementing plans for public improvements and public services. Continued existence of the District is dependent on the City's continued participation; however, the City does not have an equity interest in the District. In 2008, the City contributed \$151,827 to the District, which represents 100 percent of total contributions. Complete financial statements can be obtained from the Downtown Canton Special Improvement District.

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2008

NOTE 13 – RELATED ORGANIZATION

Joint Recreation District

The City appoints three of the five members of the Joint Recreation District (District) Board. The District manages recreational activities at sites within the City at facilities owned by either the City or Canton City Schools. The District hires and fires its own staff and does not rely on the City to finance deficits. The City is not financially accountable for the District nor is the District financially dependent on the City. The District serves as its own budgeting, taxing and debt issuance authority. The City did not make any contributions during 2008. Complete financial statements can be obtained from the Canton Recreation Department.

NOTE 14 - JOINTLY GOVERNED ORGANIZATIONS

Stark Area Regional Transit Authority

The City participates in the Stark Area Regional Transit Authority (Authority), which is a jointly governed organization between Stark County and the cities of Canton, Massillon and Alliance. A nine-member board of trustees oversees the operation of the Authority whose purpose is to provide a low cost mass transportation system for Stark County. The City appoints three of the nine members. Each member's control over the operation of the Authority is limited to its representation on the Board. The Board exercises total authority for the day-to-day operations of the Authority, which include budgeting, appropriating, contracting and designating management. The City has no financial responsibility for any of the Authority's liabilities. The City made no monetary contributions to assist in the operational expenses of the Authority during 2008. Complete financial statements may be obtained from the Stark Area Regional Transit Authority.

Stark Council of Governments

The Stark Council of Governments (SCOG) is a jointly governed organization. SCOG is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. Currently, SCOG's functions include the funding and operation of the Stark County Metropolitan Narcotics Unit and the Canton Crime Lab. SCOG is governed by the membership, including Stark County, and other cities and villages and townships. The membership elects a nine member executive committee. Based on recommendations of the executive committee, the membership approves its own budget, appoints personnel and performs accounting and finance related activities. Continued existence of the agency is dependent on the City's continued participation; however, the City does not have an equity interest in the agency. The agency is not accumulating significant financial resources or experiencing fiscal stress, which would cause additional financial benefit or burden to the City. The City contributed \$661,463 from the General Fund for 2008 for the operation of SCOG, which represents 48.5 percent of total contributions. Complete financial statements may be obtained from the Stark Council of Governments.

Stark County Regional Planning Commission

The City participates in the Stark County Regional Planning Commission (Commission), which is a statutorily created political subdivision of the State. The commission is jointly governed among Stark County, and other cities, villages, and townships. Of the 88-member board, the City appoints 5 members. The degree of control exercised by any participating government is limited to its representation on the board. The principal aim of the Commission is to provide comprehensive planning, both long and short-term range, dealing with the economic and physical environment of Stark County. The board exercises total authority for the day-to-day operations of the Commission. These include budgeting, appropriating, contracting, and

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2008

NOTE 14 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

designating management. The City has no financial responsibility for any of the Commission's liabilities. In 2008, the City contributed \$25,218 to the Commission. Complete financial statements can be obtained from the Stark County Regional Planning Commission, Stark County, Ohio.

NOTE 15 – DISCRETELY PRESENTED COMPONENT UNIT

The component unit column in the government-wide financial statements identifies the financial data of the City's component unit, Canton Community Improvement Corporation. It is reported separately to emphasize that it is legally separate from the City.

Canton Community Improvement Corporation

Canton Community Improvement Corporation (CCIC) is a legally separate, not-for-profit, community improvement corporation, as authorized under Chapter 1724 of the Ohio Revised Code. The seven-member board is comprised of the following; the City's Mayor, three appointed or elected officials, chosen by the Mayor, and three recommended by the Mayor and approved by the other three board members. The CCIC was organized for the purpose of advancing, encouraging, and promoting the industrial, economic, and commercial and civic development of the community. The City's Community and Economic Development Department, as authorized by City Council, provides an annual grant to pay for all operational costs associated with the CCIC.

NOTE 16 - CONTRACTUAL COMMITMENTS

As of December 31, 2008, the City had significant contractual commitments as follows:

Company	Project	Amount Remaining On Contract
American Suncraft	NW Water Treatment Plant Upgrade	\$ 272,500
Central Allied Enterprises	30th St NE Storm Sewer	1,514,506
Central Allied Enterprises	Steese Drainage Project	161,240
Central Allied Enterprises	Tuscarawas Street Project	676,941
Central Allied Enterprises	38th St NW Improvement	110,571
Mosser Construction	Sugarcreek Water Treatment Plant Upgrade	162,213
Reynolds Inliner	Kimball Rd/Allen Ave SE Storm Sewer	578,278
Wenger Excavating	Carnwise Waterline Extension	219,989

NOTE 17 – LEASES

Operating Leases

The City has entered into multiple year non-cancelable operating leases for equipment and vehicles. In addition, some of the operating leases have options to purchase the equipment or vehicle at the end of the lease. Total rental costs for such leases were \$222,642 for the year ended December 31, 2008. The minimum rental commitments under all such non-cancelable leases are as follows:

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2008

NOTE 17 – LEASES (Continued)

<u>Year Ending</u>	<u>Amount</u>
2009	\$ 247,858
2010	192,879
2011	192,879
2012	189,832
2013	11,382
Total	<u><u>\$ 834,830</u></u>

Capital Leases

In 2008, the City entered into a lease agreement for four new police motorcycles. The lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments in the governmental funds have been reclassified and are reflected as debt service in the basic financial statements for the capital project fund. These expenditures are reflected as program expenditures on a budgetary basis for governmental funds. The assets being acquired have been capitalized in the governmental activities in the amount of \$84,633. This total represents the present value of the minimum lease payments at the inception of the lease. The following is a schedule of the future minimum lease payments for all of the City's capital leases and the present value of the minimum lease payments as of December 31, 2008.

<u>Year Ending</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2009	\$ 161,744	\$ 13,500
2010	161,744	13,500
2011	161,744	13,500
2012	18,236	-
2013	18,236	-
Total Minimum Lease Payments	<u>521,704</u>	<u>40,500</u>
Less Amount Representing Interest	<u>56,249</u>	<u>4,161</u>
Present Value of Minimum Lease Payments	<u><u>465,455</u></u>	<u><u>36,339</u></u>

NOTE 18 - CONTINGENT LIABILITIES

Grants

The City received financial assistance from federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City.

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2008

NOTE 18 - CONTINGENT LIABILITIES (Continued)

Litigation

The Case of Bobby J. Wright vs. City of Canton, Et Al, was settled on May 14, 2001 in the United States District Court, Northern District of Ohio, Case No. 5:00CV2717, as authorized by the City Council. The terms of this settlement resulted in an obligation of \$506,200 payable over the next twelve years.

<u>Year Ending</u>	<u>Amount</u>
2009	\$ 27,600
2010	27,600
2011	27,600
2012	27,600
2013	11,500
Total	<u>\$ 121,900</u>

The City is a party to various other legal proceedings. The City management is of the opinion that ultimate disposition of those subsequent pending claims and legal proceedings will likely not have a material adverse effect, if any, on the financial condition of the City. However any pending litigation that could be successful against the City would in all likelihood not exceed a maximum exposure of \$500,000.

The City is the defendant in a civil suit. The jury has found in favor of the plaintiff for approximately \$2,075,000. The defendants are filing additional motions seeking about \$530,000. The City will file memoranda opposing both. The City, which did not have insurance for this case, also intends to file an appeal in the event requests to settle the case are not successful. The appeal will likely take at least 18 months. The City does consider this judgment as reasonably possible. However, the City has not accrued any liability related to this matter as of this date because the amount of loss cannot be reasonably estimated.

NOTE 19 - NOTES PAYABLE

GASB Statement No. 38 requires that short-term debt activity during the year be disclosed, even if no short-term debt is outstanding at year-end. Details are to include a schedule of changes in short-term debt, disclosing beginning and end of year balances, increases and decreases and the purpose for which the short-term debt was issued. The City had no short debt obligations for 2008.

NOTE 20 - INTERFUND BALANCES AND TRANSFERS

During 2008, the City made one transfer. The transfer of \$40,000 was done to honor the City's obligation for a grant match. Interfund transfers for the year ended December 31, 2008, consisted of the following:

<u>Transfer to</u>	<u>Transfer From</u>	
	<u>General Fund</u>	<u>Total</u>
Nonmajor Special Revenue	\$ 40,000	\$ 40,000
<i>Total</i>	<u>\$ 40,000</u>	<u>\$ 40,000</u>

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2008

NOTE 20 - INTERFUND BALANCES AND TRANSFERS (Continued)

Transfers are used to move resources from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorization.

At December 31, 2008, the Community and Economic Development Fund included a due to other funds of \$100,868 and the Nonmajor Internal Service Funds included a due from other funds of \$100,868. The obligation between the Nonmajor Internal Service Funds and the Community and Economic Development Fund represents the outstanding balance of an advance that was initially needed to fund a federal project. The Community and Economic Development Fund had another due to other funds balance of \$400,000 and the Nonmajor Capital Projects Funds had a due from other funds for the same amount. This obligation represents federal grant advance from a development project the City is currently undertaking. The \$1,923 due from other funds balance in the General Fund represents two separate cash advances to Nonmajor Special Revenue Funds and both were used to meet cash flow needs. The first is for \$1,000 and is due from the Youth Development Donation Fund and the second is for \$923 and is due from the Health Service Funds. The balance of the Nonmajor Internal Service Funds due from other funds balance of \$138,821 represents outstanding obligations to various operating funds for outstanding compensated absences obligations due to the Compensated Absences Fund. All of the above mentioned obligations should be satisfied using the appropriate grant and program revenues associated with each fund.

Due From	Due to			
	General Fund	Nonmajor Capital Projects	Nonmajor Internal Service	Total
General Fund	\$ -	\$ -	\$ 100,579	\$ 100,579
Community and Economic Development Fund	-	400,000	103,913	503,913
Capital Projects	-	-	651	651
Water Fund	-	-	18,148	18,148
Sewer Fund	-	-	6,098	6,098
Refuse Fund	-	-	8,487	8,487
Nonmajor Special Revenue	1,923	-	1,813	3,736
<i>Total</i>	<u>\$ 1,923</u>	<u>\$ 400,000</u>	<u>\$ 239,689</u>	<u>\$ 641,612</u>

NOTE 21 – ACCOUNTABILITY AND COMPLIANCE

Accountability

Fund balances at December 31, 2008 included the following individual fund deficits:

	<u>Deficit Fund Balance</u>
Nonmajor Funds:	
Compensated Absences Claims	5,126,456

The deficit in these nonmajor funds is the result of adjustments for accrued liabilities. The general fund is liable for any deficit in these funds and will provide transfers when cash is required, not when accruals occur.

City of Canton
Stark County, Ohio
Notes to the Basic Financial Statements
For The Year Ended December 31, 2008

NOTE 22 – RESTATEMENT OF NET ASSETS

During 2008, the City found errors and some misclassifications in its Vehicle and Equipment inventory for both the Governmental and Business-Type Activities. The following table illustrates the net affect of these adjustments on the overall net assets.

	Governmental Activities	Business-Type Activities
<i>Net Assets, December 31, 2007</i>	\$ 129,603,225	\$ 82,755,988
Adjustments to Buildings and Other Structures	60,359	-
Adjustments to Vehicles and Equipment	725,239	(38,123)
<i>Restated Net Assets, January 1, 2007</i>	<u>\$ 130,388,823</u>	<u>\$ 82,717,865</u>

NOTE 23 – CHANGES IN ACCOUNTING PRINCIPLES

For 2008, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 47, “Accounting for Termination Benefits” and GASB Statement No. 49, “Accounting and Financial Reporting for Pollution Remediation Obligations”.

GASB Statement No. 47 requires employers to disclose a description of the termination benefit arrangement, the cost of the termination benefits (required in the period in which the employer becomes obligated if that information is not otherwise identifiable from information displayed on the face of the financial statements), and significant methods and assumptions used to determine termination benefit liabilities. The implementation of this statement did not result in any change to the financial statements.

GASB Statement No. 49 addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. The implementation of this statement did not result in any change to the financial statements.

**Combining, Statements and
Individual Fund Schedules**

Nonmajor Special Revenue Funds

Special Revenue Funds are established to account for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are restricted by law and administrative action to expenditures for specified purposes.

Street Construction, Maintenance and Repair Fund Required by the Ohio Revised Code to account for that portion of the State gasoline tax and motor vehicle registration fees designated for maintenance of streets within the City.

State Highway Fund Required by the Ohio Revised Code to account for that portion of the State gasoline tax and motor vehicle registration fees designated for maintenance of State highways within the City.

Municipal Road Fund To account for County grant money used for various street projects approved through the county's municipal road fund.

Cornerstone Parking Deck Fund To account for parking fees used for the upkeep of the Cornerstone Parking Deck.

Health Services Fund To account for State and Federal grant funds used for various health education, prevention, and treatment programs in the City.

Crime Lab Fund To account for monies received for a portion of the operational costs of the City's Crime Lab.

Court's Computer Fund To account for monies used to maintain court computer systems.

Recycle Ohio Fund To account for grant monies used for the City's recycling program.

Court Fund To account for revenues received from Canton Municipal Court fines and to account for how such revenues are spent.

Law Department Dispute Resolution Fund To provide for the receipt of fees charged for discretionary public services provided to resolve various types of disputes.

Youth Development Fund To account for grant monies used for summer youth employment programs.

Enforcement and Education Fund To account for fines which are used for educating the public on the dangers of driving while under the influence of alcohol and the laws governing the operation of a motor vehicle while under the influence of alcohol.

Indigent Driver Alcohol Treatment Fund To account for fines collected by the municipal court from persons whose driver's license or permit was suspended for driving under the influence of alcohol. By order of the court, this fund will provide for the cost of rehabilitation for those deemed to be indigent.

Law Enforcement Trust Fund To account for monies received from the sale or disposition of seized contraband. Expenditures from this fund are made for law enforcement purposes.

Municipal Probation Services Fund To account for fines and forfeitures used for various probation projects.

Prisoner Housing Fund To account for fines collected used for the housing and/or treatment of indigent offenders.

Local Law Enforcement Block Grant Fund To account for block grant monies used for law enforcement purposes.

Safe Neighborhood Heroes Grant Fund To account for the receipts and expenditures associated with small private grants the City's police force receives.

Police Donation Fund To account for the receipts and expenditures associated with donations given to the City's Police Department.

Supplementary Police Forces Fund To account for the receipts and expenditures associated with the City's Auxiliary Police Force and Police Youth Corp.

Fire Donation Fund To account for the receipts and expenditures associated with donations given to the City's Fire Department.

Clean Ohio Revitalization Fund To account for the receipts and expenditures associated with the Clean Ohio Revitalization Grant received by the City for asbestos abatement projects.

Other Smaller special revenue funds operated by the City and subsidized in part by Local, State and Federal monies as well as miscellaneous sources. These funds are as follows:

Employee Recognition Fund
City Hall Plaza Fund
Guardrail/Attenuator Replacement Fund
Southeast Community Center Fund
Park Fund
Federal Forfeiture Fund
D.A.R.E. Program Fund
Misdemeanor Community Sanction Grant Fund
Clerk of Courts Administration Fund
EMS Training & Equipment Fund
Firefighters Assistance Grant Fund

Nonmajor Debt Service Funds

Debt Service Funds are established to account for the accumulation of resources for, and the payment of, general and special assessment long-term debt principal and interest and related costs.

General Obligation Bond Retirement Fund To account for the accumulation of resources to pay principal and interest on general obligation debt.

Special Assessment Bond Retirement Fund To account for the collection of special assessments levied against properties for the payment of special assessment bonds and related interest costs.

Nonmajor Capital Projects Funds

Capital Projects Funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Radio Communication Fund To account for the purchase of a Digital Radio Communication System.

2006 City Infrastructure Bond Fund To account for the portions of a 2006 City bond issue spent for roadway, storm sewer, and other infrastructure improvements.

Traffic Signalization Fund To account for costs associated with the maintenance of the traffic signals within the City.

2006 Recreational Bond Fund To account for the portions of a 2006 City bond issue spent for a water park, baseball field upgrades, and other recreational facility improvements.

2006 Construction/Reconstruction Bond Fund To account for the portions of a 2006 City bond issue spent for building renovations and construction being done throughout the City.

Judges Facilities/City Hall Renovation Fund To account for the portions of a 2006 City bond issue spent on a renovation project being undertaken at City Hall.

Civic Center Improvement Fund To account for improvements at the Civic Center.

Tuscarawas Street Improvement Fund To account for all costs associated with the renovation of Tuscarawas Street.

38th Street Improvement Fund To account for all costs associated with the renovation of 38th Street NW.

Steese Area Drainage Project Fund To account for all costs associated with the Steese Road drainage project.

49th St & Gardendale Project Fund To account for all costs associated with the 49th St & Gardendale project.

Bison Project & Kimble Road Storm Sewer Fund To account for all costs associated with the Kimble Road storm sewer project.

30th St NE Trunk Sewer Fund To account for all costs associated with the 30th St NE trunk sewer project.

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Property and Other Taxes	\$ 4,433,300	\$ 4,385,206	\$ (48,094)
Municipal Income Tax	33,287,499	33,423,617	136,118
Charges for Services	9,661,504	9,392,755	(268,749)
Licenses, Permits and Fees	1,219,003	1,211,121	(7,882)
Fines and Forfeitures	240,200	243,194	2,994
Intergovernmental	7,131,850	7,046,359	(85,491)
Operating Grants	215,637	251,167	35,530
Interest	1,191,486	1,198,555	7,069
Rentals	390,500	399,670	9,170
Other	667,315	717,367	50,052
Total Revenue	58,438,294	58,269,011	(169,283)
Expenditures			
Current:			
General Governmental:			
<i>Service Director-Support Administration :</i>			
Personal Services	31,000	30,870	130
Materials and Supplies	9,321	4,876	4,445
Contractual Services	249,001	243,811	5,190
Capital Outlay	500	495	5
Other	89,458	87,762	1,696
<i>Total Service Director-Support Administration</i>	<i>379,280</i>	<i>367,814</i>	<i>11,466</i>
<i>Service Director-Service Director Administration:</i>			
Personal Services	86,560	85,291	1,269
Materials and Supplies	79	15	64
Contractual Services	22,706	21,719	987
Other	1,719	1,716	3
<i>Total Service Director-Service Director Administration</i>	<i>111,064</i>	<i>108,741</i>	<i>2,323</i>
<i>Service Director-Scenic Train:</i>			
Materials and Supplies	13	-	13
<i>Total Service Director-Scenic Train</i>	<i>13</i>	<i>-</i>	<i>13</i>
<i>Service Director-Purchase Administration:</i>			
Personal Services	270,645	270,111	534
Materials and Supplies	253,756	235,420	18,336
Contractual Services	9,400	9,168	232
Other	150	145	5
<i>Total Service Director-Purchase Administration</i>	<i>533,951</i>	<i>514,844</i>	<i>19,107</i>
<i>Service Director-Annexation:</i>			
Personal Services	10,120	10,090	30
Materials and Supplies	514	-	514
Contractual Services	3,519	2,723	796
<i>Total Service Director-Annexation</i>	<i>14,153</i>	<i>12,813</i>	<i>1,340</i>
<i>Building and Maintenance-Other Building:</i>			
Personal Services	915,135	908,497	6,638
Materials and Supplies	66,174	61,563	4,611
Contractual Services	484,504	450,143	34,361
Capital Outlay	1,199	1,199	-
Other	4,049	3,350	699
<i>Total Building and Maintenance-Other Building</i>	<i>\$ 1,471,061</i>	<i>\$ 1,424,752</i>	<i>\$ 46,309</i>

(continued)

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<i>Total Income Tax-Income Tax Administration</i>			
Personal Services	\$ 997,085	\$ 947,516	\$ 49,569
Materials and Supplies	87,243	83,910	3,333
Contractual Services	103,180	72,503	30,677
Capital Outlay	2,480	-	2,480
Other	81,504	76,245	5,259
<i>Total Income Tax - Income Tax Administration</i>	<u>1,271,492</u>	<u>1,180,174</u>	<u>91,318</u>
<i>Mayor - Administration</i>			
Personal Services	448,665	447,071	1,594
Materials and Supplies	7,070	3,881	3,189
Contractual Services	40,039	36,381	3,658
Other	9,561	8,517	1,044
<i>Total Mayor-Mayor Administration</i>	<u>505,335</u>	<u>495,850</u>	<u>9,485</u>
<i>Mayor-Human Resources Administration:</i>			
Personal Services	126,264	124,339	1,925
Materials and Supplies	1,046	1,009	37
Contractual Services	16,552	12,418	4,134
Other	200	194	6
<i>Total Mayor-Human Resources Administration</i>	<u>144,062</u>	<u>137,960</u>	<u>6,102</u>
<i>Mayor-Youth Development Administration:</i>			
Personal Services	110,232	109,317	915
Materials and Supplies	2,450	1,678	772
Contractual Services	5,506	4,734	772
<i>Total Mayor-Youth Development Administration</i>	<u>118,188</u>	<u>115,729</u>	<u>2,459</u>
<i>Mayor - Youth Development Summer Employment</i>			
Personal Services	15,190	14,787	403
Contractual Services	1,025	-	1,025
<i>Total Mayor-Summer Employment</i>	<u>16,215</u>	<u>14,787</u>	<u>1,428</u>
<i>Mayor - Youth Development Food Service</i>			
Personal Services	19,803	19,563	240
Materials and Supplies	11,800	11,782	18
Contractual Services	700	561	139
<i>Total Mayor-Food Service</i>	<u>32,303</u>	<u>31,906</u>	<u>397</u>
<i>Mayor - Youth Development Swimming</i>			
Contractual Services	25,000	12,033	12,967
<i>Total Mayor-Swimming</i>	<u>25,000</u>	<u>12,033</u>	<u>12,967</u>
<i>Mayor - Youth Development Summer Basketball</i>			
Contractual Services	10,000	10,000	-
<i>Total Mayor-Summer Basketball</i>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
<i>Council-Council Administration:</i>			
Personal Services	578,604	572,413	6,191
Materials and Supplies	3,250	2,117	1,133
Contractual Services	121,896	97,396	24,500
Other	11,300	9,707	1,593
<i>Total Council-Council Administration</i>	<u>\$ 715,050</u>	<u>\$ 681,633</u>	<u>\$ 33,417</u>

(continued)

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<i>Courts/Judge-Judge Administration:</i>			
Personal Services	\$ 1,916,444	\$ 1,912,335	\$ 4,109
Materials and Supplies	32,255	23,698	8,557
Contractual Services	44,598	39,014	5,584
Capital Outlay	1,669	1,368	301
Other	320	320	-
<i>Total Courts/Judge-Judge Administration</i>	<u>1,995,286</u>	<u>1,976,735</u>	<u>18,551</u>
<i>Courts/Clerk-Clerk of Courts Administration:</i>			
Personal Services	1,545,604	1,544,713	891
Materials and Supplies	49,420	46,850	2,570
Contractual Services	48,781	43,672	5,109
Other	632	487	145
<i>Total Courts/Clerk-Clerk of Courts Administration</i>	<u>1,644,437</u>	<u>1,635,722</u>	<u>8,715</u>
<i>Law Director-Law Administration:</i>			
Personal Services	1,666,615	1,658,708	7,907
Materials and Supplies	7,039	6,759	280
Contractual Services	244,548	160,607	83,941
Other	224,331	187,450	36,881
<i>Total Law Director-Law Administration</i>	<u>2,142,533</u>	<u>2,013,524</u>	<u>129,009</u>
<i>Law Director-Police Settlement</i>			
Legal Claims	27,600	27,600	-
<i>Total Law Director-Police Settlement</i>	<u>27,600</u>	<u>27,600</u>	<u>-</u>
<i>Auditor-Auditor Administration:</i>			
Personal Services	1,068,985	1,067,494	1,491
Materials and Supplies	16,594	14,497	2,097
Contractual Services	794,784	791,582	3,202
Other	208,662	55,071	153,591
<i>Total Auditor-Auditor Administration</i>	<u>2,089,025</u>	<u>1,928,644</u>	<u>160,381</u>
<i>Treasurer- Administration & Operations:</i>			
Personal Services	254,497	252,343	2,154
Materials and Supplies	821	801	20
Contractual Services	8,405	7,232	1,173
Other	86,900	86,892	8
<i>Total Treasurer-Operations</i>	<u>350,623</u>	<u>347,268</u>	<u>3,355</u>
<i>Board of Commission-Civil Service:</i>			
Personal Services	276,722	274,804	1,918
Materials and Supplies	5,928	5,599	329
Contractual Services	60,639	55,888	4,751
Capital Outlay	755	755	-
Other	797	791	6
<i>Total Board of Commission-Civil Service</i>	<u>344,841</u>	<u>337,837</u>	<u>7,004</u>
<i>Board of Commission-Zoning Board:</i>			
Personal Services	8,730	8,537	193
<i>Total Board of Commission-Zoning Board</i>	<u>\$ 8,730</u>	<u>\$ 8,537</u>	<u>\$ 193</u>
			(continued)

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<i>Motor Vehicle-Administration:</i>			
Personal Services	\$ 193,378	\$ 191,663	\$ 1,715
Materials and Supplies	1,252	709	543
Contractual Services	161,669	138,195	23,474
Capital Outlay	300	-	300
Other	100	43	57
<i>Total Motor Vehicle-Administration</i>	<u>356,699</u>	<u>330,610</u>	<u>26,089</u>
<i>Motor Vehicle-Service and Repair:</i>			
Personal Services	1,013,315	1,012,915	400
Materials and Supplies	1,976,798	1,962,167	14,631
Contractual Services	64,654	54,099	10,555
Capital Outlay	1,260	772	488
Other	10,178	9,816	362
<i>Total Motor Vehicle-Service and Repair</i>	<u>3,066,205</u>	<u>3,039,769</u>	<u>26,436</u>
<i>Management Information Systems:</i>			
Personal Services	1,036,913	960,431	76,482
Materials and Supplies	24,141	20,662	3,479
Contractual Services	149,287	105,547	43,740
Capital Outlay	7,948	6,895	1,053
Other	13,909	11,327	2,582
<i>Total Management Information Systems</i>	<u>1,232,198</u>	<u>1,104,862</u>	<u>127,336</u>
Total General Government	<u>18,605,344</u>	<u>17,860,144</u>	<u>745,200</u>
Security of Persons and Property:			
<i>Safety Director-Safety Director Administration:</i>			
Personal Services	135,425	133,919	1,506
Materials and Supplies	200	-	200
Contractual Services	29,984	28,186	1,798
Capital Outlay	65	-	65
Other	3,109	1,609	1,500
<i>Total Safety Director-Safety Director Administration</i>	<u>168,783</u>	<u>163,714</u>	<u>5,069</u>
<i>Safety Director-Code Enforcement Administration:</i>			
Personal Services	983,250	982,698	552
Materials and Supplies	12,877	10,218	2,659
Contractual Services	101,793	94,150	7,643
Other	6,486	5,332	1,154
<i>Total Safety Director-Code Enforcement Administration</i>	<u>1,104,406</u>	<u>1,092,398</u>	<u>12,008</u>
<i>Safety Director-School Police Administration:</i>			
Personal Services	150,365	148,395	1,970
<i>Total Safety Director-School Police Administration</i>	<u>150,365</u>	<u>148,395</u>	<u>1,970</u>
<i>Safety Director-Central Communication Administration:</i>			
Salaries and Wages	1,150,663	1,150,663	-
Materials and Supplies	184	-	184
Contractual Services	58,304	55,331	2,973
Capital Outlay	375	260	115
<i>Total Safety Director-Central Communication Administration</i>	<u>\$ 1,209,526</u>	<u>\$ 1,206,254</u>	<u>\$ 3,272</u>
			(continued)

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<i>Police Administration:</i>			
Personal Services	\$ 16,597,725	\$ 16,575,252	\$ 22,473
Materials and Supplies	79,660	76,302	3,358
Contractual Services	457,495	446,836	10,659
Capital Outlay	1,200	1,176	24
Other	36,342	35,386	956
<i>Total Police Administration</i>	<u>17,172,422</u>	<u>17,134,952</u>	<u>37,470</u>
<i>Fire Administration:</i>			
Personal Services	14,949,002	14,947,988	1,014
Materials and Supplies	224,637	217,360	7,277
Contractual Services	448,197	434,102	14,095
Capital Outlay	4,540	1,745	2,795
Other	37,723	36,421	1,302
<i>Total Fire Administration</i>	<u>15,664,099</u>	<u>15,637,616</u>	<u>26,483</u>
<i>Traffic Divisions-Traffic Engineer/Parking Meter:</i>			
Personal Services	189,357	188,048	1,309
Materials and Supplies	17,074	15,538	1,536
Contractual Services	2,594	2,198	396
Other	97	97	-
<i>Total Traffic Divisions-Traffic Engineer/Parking Meter</i>	<u>209,122</u>	<u>205,881</u>	<u>3,241</u>
Total Security of Persons and Property	<u>35,678,723</u>	<u>35,589,210</u>	<u>89,513</u>
Public Health:			
<i>Health Administration:</i>			
Personal Services	541,562	535,468	6,094
Materials and Supplies	18,361	15,920	2,441
Contractual Services	141,291	130,208	11,083
Capital Outlay	683	590	93
Other	303,703	301,017	2,686
<i>Total Health Administration</i>	<u>1,005,600</u>	<u>983,203</u>	<u>22,397</u>
<i>Health-Nurses:</i>			
Personal Services	728,420	723,832	4,588
Materials and Supplies	41,836	40,897	939
Contractual Services	3,237	2,526	711
Other	1,827	1,348	479
<i>Total Health-Nurses</i>	<u>775,320</u>	<u>768,603</u>	<u>6,717</u>
<i>Health-Lab:</i>			
Personal Services	216,870	213,159	3,711
Materials and Supplies	29,299	27,463	1,836
Contractual Services	19,053	16,741	2,312
Capital Outlay	500	-	500
Other	1,047	250	797
<i>Total Health-Lab</i>	<u>\$ 266,769</u>	<u>\$ 257,613</u>	<u>\$ 9,156</u>

(continued)

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
<i>Health-Environmental Health Administration:</i>			
Personal Services	\$ 717,736	\$ 715,935	\$ 1,801
Materials and Supplies	4,990	4,170	820
Contractual Services	5,233	3,258	1,975
Capital Outlay	900	-	900
Other	1,462	704	758
<i>Total Health-Environmental Health Administration</i>	<u>730,321</u>	<u>724,067</u>	<u>6,254</u>
Total Public Health	<u>2,778,010</u>	<u>2,733,486</u>	<u>44,524</u>
Transportation:			
<i>Engineering-Daily Operations:</i>			
Personal Services	100,604	99,791	813
Contractual and Services	3,853	3,847	6
<i>Total Engineering-Daily Operations</i>	<u>104,457</u>	<u>103,638</u>	<u>819</u>
<i>Street-Maintenance:</i>			
Personal Services	537,444	532,925	4,519
Materials and Supplies	474,917	323,495	151,422
Contractual Services	867,451	841,900	25,551
Other	2,952	2,689	263
<i>Total Street-Maintenance</i>	<u>1,882,764</u>	<u>1,701,009</u>	<u>181,755</u>
Total Transportation	<u>1,987,221</u>	<u>1,804,647</u>	<u>182,574</u>
Leisure Time Activities:			
<i>Park Division-Park Administration:</i>			
Personal Services	1,047,649	1,045,594	2,055
Materials and Supplies	23,146	21,773	1,373
Contractual Services	46,770	43,813	2,957
Other	5,482	4,301	1,181
<i>Total Park Division-Park Administration</i>	<u>1,123,047</u>	<u>1,115,481</u>	<u>7,566</u>
<i>Mayor-Baseball:</i>			
Materials and Supplies	9,150	8,939	211
Contractual Services	26,050	25,885	165
<i>Total Mayor-Baseball</i>	<u>35,200</u>	<u>34,824</u>	<u>376</u>
<i>Civic Center-Civic Center Administration:</i>			
Personal Services	598,989	593,193	5,796
Materials and Supplies	123,012	103,442	19,570
Contractual Services	575,880	475,864	100,016
Capital Outlay	1,000	940	60
Other	15,319	14,432	887
<i>Total Civic Center-Civic Center Administration</i>	<u>1,314,200</u>	<u>1,187,871</u>	<u>126,329</u>
Total Leisure Time Activities	<u>\$ 2,472,447</u>	<u>\$ 2,338,176</u>	<u>\$ 134,271</u>

(continued)

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Debt Service:			
<i>Principal Retirement:</i>			
General Obligation Various			
Improvement Bonds	\$ 320,000	\$ 320,000	\$ -
<i>Total Principal Retirement</i>	<u>320,000</u>	<u>320,000</u>	<u>-</u>
<i>Interest and Fiscal Charges</i>			
General Obligation Various			
Improvement Bonds	202,220	202,220	-
<i>Total Interest and Fiscal Charges</i>	<u>202,220</u>	<u>202,220</u>	<u>-</u>
Total Debt Service	<u>522,220</u>	<u>522,220</u>	<u>-</u>
Total Expenditures	62,043,965	60,847,883	1,196,082
Excess of Revenues Over (Under) Expenditures	<u>(3,605,671)</u>	<u>(2,578,872)</u>	<u>1,026,799</u>
<i>Other Financing Sources (Uses)</i>			
Sale of Capital Assets	-	2	2
Advances In	356,504	344,825	(11,679)
Advances Out	(355,000)	(345,748)	9,252
Operating Transfers Out	(40,000)	(40,000)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(38,496)</u>	<u>(40,921)</u>	<u>(2,425)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(3,644,167)	(2,619,793)	1,024,374
<i>Fund Balances Beginning of Year</i>	4,146,293	4,146,293	-
Unexpended Prior Year Encumbrances	183,568	183,568	-
<i>Fund Balances End of Year</i>	<u>\$ 685,694</u>	<u>\$ 1,710,068</u>	<u>\$ 1,024,374</u>

City of Canton, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2008

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 5,848,978	\$ 3,220	\$ 10,900,994	\$ 16,753,192
Cash and Cash Equivalents in Segregated Accounts	-	3,019	-	3,019
Taxes Receivable	-	16,854	-	16,854
Accounts Receivable	23,077	-	79,077	102,154
Due From Other Funds	-	-	400,000	400,000
Due From Other Governments	2,953,774	-	106,663	3,060,437
Inventories	18,798	-	-	18,798
Total Assets	<u>\$ 8,844,627</u>	<u>\$ 23,093</u>	<u>\$ 11,486,734</u>	<u>\$ 20,354,454</u>
Liabilities and Fund Balances				
<i>Current</i>				
Accounts Payable	\$ 457,685	\$ -	\$ 277,793	\$ 735,478
Accrued Wages and Benefits	92,739	-	-	92,739
Due to Other Funds	3,736	-	-	3,736
Due to Other Governments	192,834	-	-	192,834
Retainage Payable	-	-	160,247	160,247
Deferred Revenue	1,758,906	16,854	-	1,775,760
Total Liabilities	<u>2,505,900</u>	<u>16,854</u>	<u>438,040</u>	<u>2,960,794</u>
<i>Net Assets and Other Credits</i>				
<i>Fund Balances</i>				
Reserved for:				
Inventories	18,798	-	-	18,798
Encumbrances	1,249,822	-	3,867,690	5,117,512
Other Purposes	-	-	400,000	400,000
Unreserved:				
Undesignated, Reported in :				
Special Revenue Funds	5,070,107	-	-	5,070,107
Debt Service Funds	-	6,239	-	6,239
Capital Projects Funds	-	-	6,781,004	6,781,004
Total Fund Balances	<u>6,338,727</u>	<u>6,239</u>	<u>11,048,694</u>	<u>17,393,660</u>
Total Liabilities and Fund Balances	<u>\$ 8,844,627</u>	<u>\$ 23,093</u>	<u>\$ 11,486,734</u>	<u>\$ 20,354,454</u>

City of Canton, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended December 31, 2008

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Charges for Services	\$ 1,180,804	\$ -	\$ -	\$ 1,180,804
Licenses, Permits, and Fees	267,234	-	-	267,234
Fines and forfeitures	747,245	-	-	747,245
Intergovernmental	3,504,671	-	-	3,504,671
Interest	34,438	-	364,791	399,229
Operating Grants and Contributions	2,984,481	-	-	2,984,481
Capital Grants and Contributions	626,271	-	2,677,496	3,303,767
Rentals	20,112	-	-	20,112
Other	178,210	-	45,099	223,309
Total Revenues	<u>9,543,466</u>	<u>-</u>	<u>3,087,386</u>	<u>12,630,852</u>
Expenditures				
Current				
General Government	840,401	-	-	840,401
Security of Persons and Property	2,484,053	-	-	2,484,053
Public Health	3,406,611	-	-	3,406,611
Transportation	2,515,262	-	-	2,515,262
Community Environment	425,150	-	-	425,150
Leisure Time Activities	12,962	-	-	12,962
Capital Outlay	-	-	5,164,318	5,164,318
Debt Service				
Principal	27,067	-	-	27,067
Interest and Fiscal Charges	10,935	-	-	10,935
Total Expenditures	<u>9,722,441</u>	<u>-</u>	<u>5,164,318</u>	<u>14,886,759</u>
<i>Excess Revenues Over (Under) Expenditures</i>	<u>(178,975)</u>	<u>-</u>	<u>(2,076,932)</u>	<u>(2,255,907)</u>
Other Financing Sources				
Issuance of Debt	-	-	273,385	273,385
Transfers In	40,000	-	-	40,000
Total Other Financing Sources	<u>40,000</u>	<u>-</u>	<u>273,385</u>	<u>313,385</u>
Net Change in Fund Balance	(138,975)	-	(1,803,547)	(1,942,522)
<i>Fund Balance at Beginning of Year</i>	6,509,574	6,239	12,852,241	19,368,054
<i>Increase in Reserve for Inventory</i>	(31,872)	-	-	(31,872)
<i>Fund Balance at End of Year</i>	<u>\$ 6,338,727</u>	<u>\$ 6,239</u>	<u>\$ 11,048,694</u>	<u>\$ 17,393,660</u>

City of Canton, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2008

	Street Maintenance	State Highway	Municipal Road	Cornerstone Parking Deck	Health Service
Assets					
Equity in Pooled Cash and Cash Equivalents	\$ 320,002	\$ 135,442	\$ 734,015	\$ 187,500	\$ 2,080,094
Accounts Receivable	4,383	-	-	-	13,449
Due From Other Governments	1,093,453	85,690	135,000	-	1,425,730
Inventories	18,798	-	-	-	-
Total Assets	<u>\$ 1,436,636</u>	<u>\$ 221,132</u>	<u>\$ 869,015</u>	<u>\$ 187,500</u>	<u>\$ 3,519,273</u>
Liabilities and Fund Balances					
<i>Current</i>					
Accounts Payable	\$ 68,784	\$ 41,291	\$ 219,963	\$ 9,319	\$ 43,710
Accrued Wages and Benefits	38,372	2,313	-	2,561	41,508
Due to Other Funds	1,813	-	-	-	923
Due to Other Governments	9,017	543	-	72,114	104,314
Deferred Revenue	616,800	49,874	-	-	1,071,865
Total Liabilities	<u>734,786</u>	<u>94,021</u>	<u>219,963</u>	<u>83,994</u>	<u>1,262,320</u>
<i>Net Assets and Other Credits</i>					
<i>Fund Balances</i>					
Reserved for:					
Inventories	18,798	-	-	-	-
Encumbrances	7,795	144	222,146	23,960	45,079
Unreserved:					
Undesignated, Reported in :					
Special Revenue Funds (Deficit)	675,257	126,967	426,906	79,546	2,211,874
<i>Total Fund Balances</i>	<u>701,850</u>	<u>127,111</u>	<u>649,052</u>	<u>103,506</u>	<u>2,256,953</u>
Total Liabilities and Fund Balances	<u>\$ 1,436,636</u>	<u>\$ 221,132</u>	<u>\$ 869,015</u>	<u>\$ 187,500</u>	<u>\$ 3,519,273</u>

Crime Lab	Court Computer	Recycle Ohio	Court	Law Department Dispute Resolution	Youth Development	Enforcement and Education	Indigent Driver Alcohol Treatment	Law Enforcement Trust
\$ 3,603	\$ 317,038	\$ 7,516	\$ 254,033	\$ 2,304	\$ 2,233	\$ 454	\$ 55,501	\$ 393,891
-	-	-	-	-	-	-	-	4,321
988	24,711	-	27,189	-	-	2,033	1,252	9,975
-	-	-	-	-	-	-	-	-
<u>\$ 4,591</u>	<u>\$ 341,749</u>	<u>\$ 7,516</u>	<u>\$ 281,222</u>	<u>\$ 2,304</u>	<u>\$ 2,233</u>	<u>\$ 2,487</u>	<u>\$ 56,753</u>	<u>\$ 408,187</u>
\$ -	\$ 3,909	\$ -	\$ 35,862	\$ -	\$ 668	\$ 44	\$ 4,000	\$ 10,793
-	2,215	-	2,557	-	-	-	-	-
-	-	-	-	-	1,000	-	-	-
-	520	-	601	-	-	-	-	4,970
-	-	-	-	-	-	-	-	-
<u>-</u>	<u>6,644</u>	<u>-</u>	<u>39,020</u>	<u>-</u>	<u>1,668</u>	<u>44</u>	<u>4,000</u>	<u>15,763</u>
-	-	-	-	-	-	-	-	-
-	7,939	7,516	2,994	-	355	131	-	120,578
4,591	327,166	-	239,208	2,304	210	2,312	52,753	271,846
4,591	335,105	7,516	242,202	2,304	565	2,443	52,753	392,424
<u>\$ 4,591</u>	<u>\$ 341,749</u>	<u>\$ 7,516</u>	<u>\$ 281,222</u>	<u>\$ 2,304</u>	<u>\$ 2,233</u>	<u>\$ 2,487</u>	<u>\$ 56,753</u>	<u>\$ 408,187</u>

(continued)

City of Canton, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2008

	Municipal Probation Services	Prisoner Housing	Local Law Enforcement Block Grant	Safe Neighborhood	Police Donation	Supplementary Police Forces
Assets						
Equity in Pooled Cash and Cash Equivalents	\$ 47,138	\$ 22,609	\$ 58,666	\$ 2,203	\$ 2,000	\$ 3,317
Accounts Receivable	-	-	-	-	-	-
Due From Other Governments	16,091	376	-	-	-	-
Inventories	-	-	-	-	-	-
Total Assets	<u>\$ 63,229</u>	<u>\$ 22,985</u>	<u>\$ 58,666</u>	<u>\$ 2,203</u>	<u>\$ 2,000</u>	<u>\$ 3,317</u>
Liabilities and Fund Balances						
<i>Current</i>						
Accounts Payable	\$ 4,811	\$ -	\$ -	\$ 639	\$ -	\$ -
Accrued Wages and Benefits	1,711	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-
Due to Other Governments	402	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-
Total Liabilities	<u>6,924</u>	<u>-</u>	<u>-</u>	<u>639</u>	<u>-</u>	<u>-</u>
<i>Net Assets and Other Credits</i>						
<i>Fund Balances</i>						
Reserved for:						
Inventories	-	-	-	-	-	-
Encumbrances	862	-	-	-	-	-
Unreserved:						
Undesignated, Reported in :						
Special Revenue Funds (Deficit)	55,443	22,985	58,666	1,564	2,000	3,317
Total Fund Balances	<u>56,305</u>	<u>22,985</u>	<u>58,666</u>	<u>1,564</u>	<u>2,000</u>	<u>3,317</u>
Total Liabilities and Fund Balances	<u>\$ 63,229</u>	<u>\$ 22,985</u>	<u>\$ 58,666</u>	<u>\$ 2,203</u>	<u>\$ 2,000</u>	<u>\$ 3,317</u>

Fire Donation	Clean Ohio	Other	Total Nonmajor Special Revenue Funds
\$ 3,716	\$ 8,950	\$ 1,206,753	\$ 5,848,978
-	-	924	23,077
-	40,743	90,543	2,953,774
-	-	-	18,798
<u>\$ 3,716</u>	<u>\$ 49,693</u>	<u>\$ 1,298,220</u>	<u>\$ 8,844,627</u>

\$ 1,300	\$ -	\$ 12,592	\$ 457,685
-	-	1,502	92,739
-	-	-	3,736
-	-	353	192,834
-	-	20,367	1,758,906
<u>1,300</u>	<u>-</u>	<u>34,814</u>	<u>2,505,900</u>

-	-	-	18,798
1,560	758,898	49,865	1,249,822
856	(709,205)	1,213,541	5,070,107
<u>2,416</u>	<u>49,693</u>	<u>1,263,406</u>	<u>6,338,727</u>
<u>\$ 3,716</u>	<u>\$ 49,693</u>	<u>\$ 1,298,220</u>	<u>\$ 8,844,627</u>

City of Canton, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the year ended December 31, 2008

	Street Maintenance	State Highway	Municipal Road	Cornerstone Parking Deck	Health Service
Revenues					
Charges for Services	\$ -	\$ -	\$ -	\$ 340,902	\$ -
Licenses, Permits, and Fees	-	-	-	-	267,234
Fines and forfeitures	-	-	-	-	12,359
Intergovernmental	3,090,166	239,667	174,838	-	-
Interest	10,105	2,519	-	-	-
Operating Grants and Contributions	-	-	-	-	2,874,715
Capital Grants and Contributions	-	-	135,000	-	-
Rentals	-	-	-	1,500	-
Other	43,039	-	-	57	81,289
Total Revenues	<u>3,143,310</u>	<u>242,186</u>	<u>309,838</u>	<u>342,459</u>	<u>3,235,597</u>
Expenditures					
Current					
General Government	-	-	-	-	-
Security of Persons and Property	1,399,322	24,250	-	351,954	-
Public Health	-	-	-	-	3,406,611
Transportation	1,869,624	204,004	441,634	-	-
Community Environment	-	-	-	-	-
Leisure Time Activities	-	-	-	-	-
Debt Service					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	<u>3,268,946</u>	<u>228,254</u>	<u>441,634</u>	<u>351,954</u>	<u>3,406,611</u>
<i>Excess Revenues Over (Under) Expenditures</i>	<u>(125,636)</u>	<u>13,932</u>	<u>(131,796)</u>	<u>(9,495)</u>	<u>(171,014)</u>
Other Financing Sources					
Transfers In	-	-	-	-	40,000
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,000</u>
Net Change in Fund Balance	(125,636)	13,932	(131,796)	(9,495)	(131,014)
<i>Fund Balance at Beginning of Year</i>	859,358	113,179	780,848	113,001	2,387,967
<i>Decrease in Reserve for Inventory</i>	(31,872)	-	-	-	-
<i>Fund Balance at End of Year</i>	<u>\$ 701,850</u>	<u>\$ 127,111</u>	<u>\$ 649,052</u>	<u>\$ 103,506</u>	<u>\$ 2,256,953</u>

Crime Lab	Court Computer	Recycle Ohio	Court	Law Department Dispute Resolution	Youth Development	Enforcement and Education	Indigent Driver Alcohol Treatment	Law Enforcement Trust
\$ 4,357	\$ 312,926	\$ -	\$ 329,801	\$ 880	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	12,634	44,390	497,728
-	-	-	-	-	-	-	-	-
-	-	-	-	-	2,050	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	112	-	-	-	13,510	9,679
<u>4,357</u>	<u>312,926</u>	<u>-</u>	<u>329,913</u>	<u>880</u>	<u>2,050</u>	<u>12,634</u>	<u>57,900</u>	<u>507,407</u>
-	243,462	-	307,846	1,087	1,352	-	38,000	-
-	-	-	-	-	-	31,432	-	341,718
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	27,067	-	-	-	-	-
-	-	-	10,935	-	-	-	-	-
<u>-</u>	<u>243,462</u>	<u>-</u>	<u>345,848</u>	<u>1,087</u>	<u>1,352</u>	<u>31,432</u>	<u>38,000</u>	<u>341,718</u>
<u>4,357</u>	<u>69,464</u>	<u>-</u>	<u>(15,935)</u>	<u>(207)</u>	<u>698</u>	<u>(18,798)</u>	<u>19,900</u>	<u>165,689</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
4,357	69,464	-	(15,935)	(207)	698	(18,798)	19,900	165,689
234	265,641	7,516	258,137	2,511	(133)	21,241	32,853	226,735
-	-	-	-	-	-	-	-	-
<u>\$ 4,591</u>	<u>\$ 335,105</u>	<u>\$ 7,516</u>	<u>\$ 242,202</u>	<u>\$ 2,304</u>	<u>\$ 565</u>	<u>\$ 2,443</u>	<u>\$ 52,753</u>	<u>\$ 392,424</u>

(continued)

City of Canton, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the year ended December 31, 2008

	Municipal Probation Services	Prisoner Housing	Local Law Enforcement Block Grant	Safe Neighborhood	Police Donation
Revenues					
Charges for Services	\$ 191,938	\$ -	\$ -	\$ -	\$ -
Licenses, Permits, and Fees	-	-	-	-	-
Fines and forfeitures	-	4,960	-	-	-
Intergovernmental	-	-	-	-	-
Interest	-	-	-	-	-
Operating Grants and Contributions	-	-	-	1,500	-
Capital Grants and Contributions	-	-	16,442	-	-
Rentals	-	-	-	-	-
Other	-	-	-	-	-
Total Revenues	<u>191,938</u>	<u>4,960</u>	<u>16,442</u>	<u>1,500</u>	<u>-</u>
Expenditures					
Current					
General Government	176,519	-	-	-	-
Security of Persons and Property	-	-	15,919	639	-
Public Health	-	-	-	-	-
Transportation	-	-	-	-	-
Community Environment	-	-	-	-	-
Leisure Time Activities	-	-	-	-	-
Debt Service					
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	<u>176,519</u>	<u>-</u>	<u>15,919</u>	<u>639</u>	<u>-</u>
<i>Excess Revenues Over (Under) Expenditures</i>	<u>15,419</u>	<u>4,960</u>	<u>523</u>	<u>861</u>	<u>-</u>
Other Financing Sources					
Transfers In	-	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	15,419	4,960	523	861	-
<i>Fund Balance at Beginning of Year</i>	40,886	18,025	58,143	703	2,000
<i>Decrease in Reserve for Inventory</i>	-	-	-	-	-
<i>Fund Balance at End of Year</i>	<u>\$ 56,305</u>	<u>\$ 22,985</u>	<u>\$ 58,666</u>	<u>\$ 1,564</u>	<u>\$ 2,000</u>

Supplementary Police Forces	Fire Donation	Clean Ohio	Other	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ 1,180,804
-	-	-	-	267,234
-	-	-	175,174	747,245
-	-	-	-	3,504,671
-	-	-	21,814	34,438
-	3,610	-	102,606	2,984,481
-	-	474,829	-	626,271
-	-	-	18,612	20,112
-	-	-	30,524	178,210
-	3,610	474,829	348,730	9,543,466
-	-	-	72,135	840,401
356	4,270	-	314,193	2,484,053
-	-	-	-	3,406,611
-	-	-	-	2,515,262
-	-	425,150	-	425,150
-	-	-	12,962	12,962
-	-	-	-	27,067
-	-	-	-	10,935
356	4,270	425,150	399,290	9,722,441
(356)	(660)	49,679	(50,560)	(178,975)
-	-	-	-	40,000
-	-	-	-	40,000
(356)	(660)	49,679	(50,560)	(138,975)
3,673	3,076	14	1,313,966	6,509,574
-	-	-	-	(31,872)
\$ 3,317	\$ 2,416	\$ 49,693	\$ 1,263,406	\$ 6,338,727

City of Canton, Ohio
*Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Community and Economic Development Fund
For the Year Ended December 31, 2008*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 150,000	\$ 73,748	\$ (76,252)
Operating Grants	10,295,185	2,729,854	(7,565,331)
Interest	12,000	12,141	141
Other	420,944	164,138	(256,806)
<i>Total Revenues</i>	<u>10,878,129</u>	<u>2,979,881</u>	<u>(7,898,248)</u>
Expenditures			
Current:			
Community Environment:			
<i>Community Development Administration:</i>			
Personnel Costs	1,553,925	1,042,378	511,547
Materials and Supplies	61,254	27,597	33,657
Contractual Services	1,963,424	946,484	1,016,940
Capital Outlay	57,000	24,177	32,823
Other	5,943,133	2,730,232	3,212,901
<i>Total Community Development Administration</i>	<u>9,578,736</u>	<u>4,770,868</u>	<u>4,807,868</u>
<i>Community Development Demolition:</i>			
Personnel Costs	149,433	92,500	56,933
Contractual Services	531,657	186,237	345,420
<i>Total Community Development Demolition</i>	<u>681,090</u>	<u>278,737</u>	<u>402,353</u>
<i>Total Community Environment</i>	<u>10,259,826</u>	<u>5,049,605</u>	<u>5,210,221</u>
Debt Service:			
Principal Retirement	335,000	335,000	-
Interest and Fiscal Charges	26,792	26,792	-
<i>Total Debt Service</i>	<u>361,792</u>	<u>361,792</u>	<u>-</u>
<i>Total Expenditures</i>	<u>10,621,618</u>	<u>5,411,397</u>	<u>5,210,221</u>
Excess of Revenues Over (Under) Expenditures	256,511	(2,431,516)	(2,688,027)
Other Financing Sources (Uses)			
Sale of Capital Assets	-	9,609	9,609
Advances In	400,000	400,000	-
Advances Out	(400,000)	-	400,000
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>409,609</u>	<u>409,609</u>
Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	256,511	(2,021,907)	(2,278,418)
<i>Fund Balance (Deficit) Beginning of Year</i>	(503,223)	(503,223)	-
Unexpended Prior Year Encumbrances	1,145,473	1,145,473	-
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ 898,761</u>	<u>\$ (1,379,657)</u>	<u>\$ (2,278,418)</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Street Construction, Maintenance, and Repair Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Intergovernmental	\$ 3,020,231	\$ 3,097,815	\$ 77,584
Interest	10,000	10,105	105
Other	37,990	41,309	3,319
Total Revenues	3,068,221	3,149,229	81,008
Expenditures			
Current:			
Security of Persons and Property:			
<i>Traffic Divisions-Traffic Engineer Administration:</i>			
Personnel Costs	285,170	281,191	3,979
Materials and Supplies	8,283	8,111	172
Contractual Services	49,072	44,596	4,476
Capital Outlay	1,505	-	1,505
Other	852	821	31
Total Traffic Divisions-Traffic Engineer Administration	344,882	334,719	10,163
<i>Traffic Divisions-Traffic Sign and Paint:</i>			
Personnel Costs	332,807	324,596	8,211
Materials and Supplies	49,634	47,668	1,966
Contractual Services	67,579	56,304	11,275
Other	933	926	7
Total Traffic Divisions-Traffic Sign and Paint	450,953	429,494	21,459
<i>Traffic Divisions-Traffic Signal:</i>			
Personnel Costs	348,268	346,157	2,111
Materials and Supplies	30,468	30,226	242
Contractual Services	268,471	234,282	34,189
Other	553	518	35
Total Traffic Divisions-Traffic Signal	647,760	611,183	36,577
Total Security Persons and Property	1,443,595	1,375,396	68,199
Transportation:			
<i>Street Maintenance:</i>			
Personnel Costs	1,125,926	1,091,361	34,565
Materials and Supplies	368,229	363,824	4,405
Contractual Services	445,893	438,452	7,441
Capital Outlay	51	-	51
Other	12,602	8,507	4,095
Total Transportation	1,952,701	1,902,144	50,557
Total Expenditures	3,396,296	3,277,540	118,756
Excess of Revenues (Under) Expenditures	(328,075)	(128,311)	199,764
<i>Fund Balance Beginning of Year</i>	<i>356,177</i>	<i>356,177</i>	<i>-</i>
Unexpended Prior Year Encumbrances	41,722	41,722	-
Fund Balance End of Year	\$ 69,824	\$ 269,588	\$ 199,764

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Intergovernmental	\$ 238,766	\$ 260,327	\$ 21,561
Interest	2,500	2,519	19
<i>Total Revenues</i>	<u>241,266</u>	<u>262,846</u>	<u>21,580</u>
Expenditures			
Current:			
Security of Persons and Property:			
<i>Traffic Divisions-Traffic Signal:</i>			
Contractual Services	31,211	24,250	6,961
Transportation:			
<i>Street Maintenance:</i>			
Personnel Costs	125,641	112,947	12,694
Materials and Supplies	75,877	75,176	701
Contractual Services	24,206	18,422	5,784
Other	500	-	500
<i>Total Transportation</i>	<u>226,224</u>	<u>206,545</u>	<u>19,679</u>
<i>Total Expenditures</i>	<u>257,435</u>	<u>230,795</u>	<u>26,640</u>
Excess of Revenues Over (Under) Expenditures	(16,169)	32,051	48,220
<i>Fund Balance Beginning of Year</i>	51,072	51,072	-
Unexpended Prior Year Encumbrances	10,886	10,886	-
<i>Fund Balance End of Year</i>	<u>\$ 45,789</u>	<u>\$ 94,009</u>	<u>\$ 48,220</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Municipal Road Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Intergovernmental	\$ 250,000	\$ 174,838	\$ (75,162)
Expenditures			
Current:			
Transportation:			
<i>Engineering-Engineering Administration:</i>			
Materials and Supplies	80,845	42,109	38,736
Capital Outlay	100,000	86,671	13,329
<i>Total Engineering Administration</i>	<u>180,845</u>	<u>128,780</u>	<u>52,065</u>
 30th St NE Trunk Sewer Imprv:			
Capital Outlay	535,000	535,000	-
 25th St NE Storm Sewer Project:			
Capital Outlay	65,000	-	65,000
 Midway Ave Imprv:			
Capital Outlay	5,265	-	5,265
 <i>Total Expenditures</i>	<u>786,110</u>	<u>663,780</u>	<u>122,330</u>
 Excess of Revenues (Under) Expenditures	(536,110)	(488,942)	47,168
 <i>Fund Balance Beginning of Year</i>	738,736	738,736	-
 Unexpended Prior Year Encumbrances	42,109	42,109	-
 <i>Fund Balance End of Year</i>	<u><u>\$ 244,735</u></u>	<u><u>\$ 291,903</u></u>	<u><u>\$ 47,168</u></u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Cornerstone Parking Deck Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 335,500	\$ 340,843	\$ 5,343
Rentals	1,800	1,500	(300)
Other	-	57	57
<i>Total Revenues</i>	<u>337,300</u>	<u>342,400</u>	<u>5,100</u>
Expenditures			
Current:			
General Government:			
Security of Persons & Property:			
<i>Safety Director-Safety Director Administration:</i>			
Personnel Costs	178,574	138,209	40,365
Materials and Supplies	30,974	16,943	14,031
Contractual Services	282,114	214,790	67,324
Capital Outlay	6,962	2,495	4,467
Other	5,182	1,967	3,215
	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total Security of Persons & Property</i>	<u>503,806</u>	<u>374,404</u>	<u>129,402</u>
<i>Total Expenditures</i>	<u>503,806</u>	<u>374,404</u>	<u>129,402</u>
Excess of Revenues (Under) Expenditures	(166,506)	(32,004)	134,502
<i>Fund Balance Beginning of Year</i>	181,873	181,873	-
Unexpended Prior Year Encumbrances	9,132	9,132	-
<i>Fund Balance End of Year</i>	<u>\$ 24,499</u>	<u>\$ 159,001</u>	<u>\$ 134,502</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Health Services Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Licenses, Permits and Fees	\$ 283,715	\$ 267,234	\$ (16,481)
Fines and Forfeitures	67,712	67,712	-
Operating Grants	3,292,787	2,960,220	(332,567)
Contributions and Donations	-	1,000	1,000
Other	37,430	80,911	43,481
<i>Total Revenues</i>	<u>3,681,644</u>	<u>3,377,077</u>	<u>(304,567)</u>
Expenditures			
Current:			
Public Health:			
Health Administration:			
Personnel Costs	2,451,838	2,152,513	299,325
Materials and Supplies	451,080	90,959	360,121
Contractual Services	394,286	113,925	280,361
Capital Outlay	436,621	39,984	396,637
Other	1,658,997	1,091,012	567,985
<i>Total Expenditures</i>	<u>5,392,822</u>	<u>3,488,393</u>	<u>1,904,429</u>
Excess of Revenues (Under) Expenditures	(1,711,178)	(111,316)	1,599,862
Other Financing Sources (Uses)			
Advances In	40,468	45,749	5,281
Advances Out	(44,826)	(44,826)	-
Transfers In	40,000	40,000	-
<i>Total Other Financing Sources</i>	<u>35,642</u>	<u>40,923</u>	<u>5,281</u>
Excess of Revenues and Other Financing Sources (Under) Expenditures	(1,675,536)	(70,393)	1,605,143
<i>Fund Balance Beginning of Year</i>	2,006,627	2,006,627	-
Unexpended Prior Year Encumbrances	25,089	25,089	-
<i>Fund Balance End of Year</i>	<u>\$ 356,180</u>	<u>\$ 1,961,323</u>	<u>\$ 1,605,143</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Employee Recognition Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	\$ -	\$ -	\$ -
Expenditures	-	-	-
Excess of Revenues Over (Under) Expenditures	-	-	-
<i>Fund Balance Beginning of Year</i>	143	143	-
<i>Fund Balance End of Year</i>	<u>\$ 143</u>	<u>\$ 143</u>	<u>\$ -</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
City Hall Plaza Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	\$ -	\$ -	\$ -
Expenditures	-	-	-
Excess of Revenues Over (Under) Expenditures	-	-	-
<i>Fund Balance Beginning of Year</i>	173	173	-
<i>Fund Balance End of Year</i>	<u>\$ 173</u>	<u>\$ 173</u>	<u>\$ -</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Crime Lab
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance Favorable Over/(Under)
Revenues			
Charges for Services	\$ 3,000	\$ 3,500	\$ 500
Expenditures			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Other	3,000	-	3,000
Excess of Revenues Over (Under) Expenditures	-	3,500	3,500
<i>Fund Balance Beginning of Year</i>	103	103	-
<i>Fund Balance End of Year</i>	<u>\$ 103</u>	<u>\$ 3,603</u>	<u>\$ 3,500</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Court's Computer Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 310,000	\$ 311,129	\$ 1,129
Expenditures			
Current:			
General Government:			
<i>Courts/Judge-Judge Administration:</i>			
Personnel Costs	106,997	101,743	5,254
Materials and Supplies	28,750	23,451	5,299
Contractual Services	116,503	96,673	19,830
Capital Outlay	197,892	48,078	149,814
Other	897	453	444
<i>Total Expenditures</i>	<u>451,039</u>	<u>270,398</u>	<u>180,641</u>
Excess of Revenues Over (Under) Expenditures	(141,039)	40,731	181,770
<i>Fund Balance Beginning of Year</i>	223,346	223,346	-
Unexpended Prior Year Encumbrances	24,039	24,039	-
<i>Fund Balance End of Year</i>	<u><u>\$ 106,346</u></u>	<u><u>\$ 288,116</u></u>	<u><u>\$ 181,770</u></u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Recycle Ohio Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	\$ -	\$ -	\$ -
Expenditures	-	-	-
Excess of Revenues Over (Under) Expenditures	-	-	-
<i>Fund Balance Beginning of Year</i>	7,515	7,515	-
<i>Fund Balance End of Year</i>	<u>\$ 7,515</u>	<u>\$ 7,515</u>	<u>\$ -</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Guardrail/Attenuator Replacement Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	\$ -	\$ -	\$ -
Expenditures	-	-	-
Excess of Revenues Over (Under) Expenditures	-	-	-
<i>Fund Balance Beginning of Year</i>	7,283	7,283	-
<i>Fund Balance End of Year</i>	<u>\$ 7,283</u>	<u>\$ 7,283</u>	<u>\$ -</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Litter Prevention
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Operating Grants	\$ 3,648	\$ -	\$ (3,648)
Expenditures			
Current:			
General Government:			
<i>Service Director-Service Director Administration:</i>			
Materials and Supplies	3,648	-	3,648
Excess of Revenues Over (Under) Expenditures	-	-	-
<i>Fund Balance Beginning of Year</i>	-	-	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Southeast Community Center Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	\$ -	\$ -	\$ -
Expenditures	-	-	-
Excess of Revenues Over (Under) Expenditures	-	-	-
<i>Fund Balance Beginning of Year</i>	862	862	-
<i>Fund Balance End of Year</i>	<u>\$ 862</u>	<u>\$ 862</u>	<u>\$ -</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Court Capital Improvement Special Project Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 304,000	\$ 303,776	\$ (224)
Other	-	112	112
<i>Total Revenues</i>	<u>304,000</u>	<u>303,888</u>	<u>(112)</u>
Expenditures			
Current:			
General Government:			
<i>Courts/Judge-Judge Administration:</i>			
Personnel Costs	196,438	83,910	112,528
Materials and Supplies	53,108	48,850	4,258
Contractual Services	61,189	54,111	7,078
Capital Outlay	59,949	59,438	511
Other	69,843	56,929	12,914
<i>Total Judge Administration</i>	<u>440,527</u>	<u>303,238</u>	<u>137,289</u>
Debt Service:			
Principal Retirement	27,067	27,067	-
Interest and Fiscal Charges	10,935	10,935	-
<i>Total Debt Service</i>	<u>38,002</u>	<u>38,002</u>	<u>-</u>
<i>Total Expenditures</i>	<u>478,529</u>	<u>341,240</u>	<u>137,289</u>
Excess of Revenues (Under) Expenditures	(174,529)	(37,352)	137,177
<i>Fund Balance Beginning of Year</i>	249,691	249,691	-
Unexpended Prior Year Encumbrances	1,913	1,913	-
<i>Fund Balance End of Year</i>	<u>\$ 77,075</u>	<u>\$ 214,252</u>	<u>\$ 137,177</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Legal Research Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 1,225	\$ 228	\$ (997)
Expenditures			
Current:			
General Government:			
<i>Courts/Judge-Judge Administration:</i>			
Materials and Supplies	500	-	500
Capital Outlay	1,000	-	1,000
<i>Total Expenditures</i>	1,500	-	1,500
Excess of Revenues Over (Under) Expenditures	(275)	228	503
<i>Fund Balance Beginning of Year</i>	275	275	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ 503</u>	<u>\$ 503</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Law Department Dispute Resolution Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 1,000	\$ 880	\$ (120)
Expenditures			
Current:			
General Government:			
<i>Courts/Judge-Judge Administration:</i>			
Materials and Supplies	1,555	746	809
Capital Outlay	445	349	96
<i>Total Expenditures</i>	<u>2,000</u>	<u>1,095</u>	<u>905</u>
Excess of Revenues (Under) Expenditures	(1,000)	(215)	785
<i>Fund Balance Beginning of Year</i>	2,519	2,519	-
<i>Fund Balance End of Year</i>	<u><u>\$ 1,519</u></u>	<u><u>\$ 2,304</u></u>	<u><u>\$ 785</u></u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Court GPS Cost
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 20,700	\$ 18,422	\$ (2,278)
Expenditures			
Current:			
General Government:			
Courts/Judge-Judge Administration:			
Contractual Services	16,700	14,734	1,966
Excess of Revenues Over Expenditures	4,000	3,688	(312)
<i>Fund Balance Beginning of Year</i>	-	-	-
<i>Fund Balance End of Year</i>	<u>\$ 4,000</u>	<u>\$ 3,688</u>	<u>\$ (312)</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Ignition Interlock/Alcohol Monitoring
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 600	\$ 750	\$ 150
Expenditures	-	-	-
Excess of Revenues Over Expenditures	600	750	150
<i>Fund Balance Beginning of Year</i>	-	-	-
<i>Fund Balance End of Year</i>	<u>\$ 600</u>	<u>\$ 750</u>	<u>\$ 150</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Park Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenue			
Fines and Forfeitures	\$ -	\$ 50	\$ 50
Capital Grants	198,000	-	(198,000)
Rentals	25,800	18,712	(7,088)
Other	600	800	200
<i>Total Revenues</i>	<u>224,400</u>	<u>19,562</u>	<u>(204,838)</u>
Expenditures			
Current:			
Leisure Time Activities:			
<i>Park Division - Special Parks Funds:</i>			
Materials and Supplies	99,314	11,580	87,734
Contractual Services	25,794	8,063	17,731
Capital Outlay	210,937	-	210,937
Other	2,000	-	2,000
<i>Total Expenditures</i>	<u>338,045</u>	<u>19,643</u>	<u>318,402</u>
Excess of Revenues (Under) Expenditures	(113,645)	(81)	113,564
<i>Fund Balance Beginning of Year</i>	112,742	112,742	-
Unexpended Prior Year Encumbrances	3,895	3,895	-
<i>Fund Balance End of Year</i>	<u>\$ 2,992</u>	<u>\$ 116,556</u>	<u>\$ 113,564</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Youth Development Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Contributions and Donations	\$ 3,600	\$ 2,050	\$ (1,550)
Expenditures			
Current:			
General Government:			
<i>Youth Development Administration:</i>			
Materials and Supplies	1,950	1,707	243
Contractual Services	1,650	-	1,650
<i>Total Expenditures</i>	3,600	1,707	1,893
Excess of Revenues Over (Under) Expenditures	-	343	343
<i>Fund Balance Beginning of Year</i>	869	869	-
<i>Fund Balance End of Year</i>	<u>\$ 869</u>	<u>\$ 1,212</u>	<u>\$ 343</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Federal Forfeiture Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Fines and Forfeitures	\$ 833,252	\$ 833,252	\$ -
Operating Grants	17,442	17,442	-
Interest	20,500	21,291	791
Other	28,800	28,800	-
<i>Total Revenues</i>	<u>899,994</u>	<u>900,785</u>	<u>791</u>
Expenditures			
Current:			
Security of Persons and Property:			
Police Administration:			
Personnel Costs	10,000	163	9,837
Materials and Supplies	95,545	84,375	11,170
Contractual Services	76,849	66,076	10,773
Capital Outlay	119,988	118,500	1,488
Other	53,940	45,296	8,644
<i>Total Expenditures</i>	<u>356,322</u>	<u>314,410</u>	<u>41,912</u>
Excess of Revenues Over Expenditures	543,672	586,375	42,703
<i>Fund Balance Beginning of Year</i>	383,915	383,915	-
Unexpended Prior Year Encumbrances	6,322	6,322	-
<i>Fund Balance End of Year</i>	<u>\$ 933,909</u>	<u>\$ 976,612</u>	<u>\$ 42,703</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Enforcement and Education Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Fines and Forfeitures	\$ 16,000	\$ 11,119	\$ (4,881)
Expenditures			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Other	36,702	31,519	5,183
Excess of Revenues (Under) Expenditures	(20,702)	(20,400)	302
<i>Fund Balance Beginning of Year</i>	20,522	20,522	-
Unexpended Prior Year Encumbrances	202	202	-
<i>Fund Balance End of Year</i>	<u>\$ 22</u>	<u>\$ 324</u>	<u>\$ 302</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Indigent Driver Alcohol Treatment Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Fines and Forfeitures	\$ 65,070	\$ 44,287	\$ (20,783)
Other	-	13,510	13,510
<i>Total Revenues</i>	<u>65,070</u>	<u>57,797</u>	<u>(7,273)</u>
Expenditures			
Current:			
General Government:			
<i>Courts/Judge-Judge Administration:</i>			
Contractual Services	<u>80,000</u>	<u>37,000</u>	<u>43,000</u>
Excess of Revenues Over (Under) Expenditures	(14,930)	20,797	35,727
<i>Fund Balance Beginning of Year</i>	30,704	30,704	-
<i>Fund Balance End of Year</i>	<u>\$ 15,774</u>	<u>\$ 51,501</u>	<u>\$ 35,727</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Law Enforcement Trust Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Fines and Forfeitures	\$ 374,300	\$ 487,967	\$ 113,667
Other	1,100	5,358	4,258
<i>Total Revenues</i>	<u>375,400</u>	<u>493,325</u>	<u>117,925</u>
Expenditures			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Personnel Costs	60,000	50,636	9,364
Materials and Supplies	14,400	14,194	206
Contractual Services	1,000	1,000	-
Capital Outlay	185,988	180,707	5,281
Other	213,000	178,658	34,342
<i>Total Expenditures</i>	<u>474,388</u>	<u>425,195</u>	<u>49,193</u>
Excess of Revenues Over (Under) Expenditures	(98,988)	68,130	167,118
<i>Fund Balance Beginning of Year</i>	192,201	192,201	-
Unexpended Prior Year Encumbrances	2,188	2,188	-
<i>Fund Balance End of Year</i>	<u><u>\$ 95,401</u></u>	<u><u>\$ 262,519</u></u>	<u><u>\$ 167,118</u></u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
D.A.R.E. Program Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	\$ -	\$ -	\$ -
Expenditures			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Materials and Supplies	5,000	4,464	536
Excess of Revenues (Under) Expenditures	(5,000)	(4,464)	536
<i>Fund Balance Beginning of Year</i>	18,111	18,111	-
<i>Fund Balance End of Year</i>	<u>\$ 13,111</u>	<u>\$ 13,647</u>	<u>\$ 536</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Municipal Probation Services Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 180,000	\$ 188,584	\$ 8,584
Expenditures			
Current:			
General Government:			
<i>Courts/Judge-Judge Administration:</i>			
Personnel Costs	159,648	136,414	23,234
Materials and Supplies	5,901	2,717	3,184
Contractual Services	7,702	3,505	4,197
Capital Outlay	24,689	24,319	370
Other	15,106	9,832	5,274
<i>Total Expenditures</i>	<u>213,046</u>	<u>176,787</u>	<u>36,259</u>
Excess of Revenues Over (Under) Expenditures	(33,046)	11,797	44,843
<i>Fund Balance Beginning of Year</i>	32,940	32,940	-
Unexpended Prior Year Encumbrances	106	106	-
<i>Fund Balance End of Year</i>	<u><u>\$ -</u></u>	<u><u>\$ 44,843</u></u>	<u><u>\$ 44,843</u></u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Misdemeanor Community Sanction Grant Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Operating Grants	\$ 80,863	\$ 80,863	\$ -
Expenditures			
Current:			
General Government:			
<i>Courts/Judge-Judge Administration:</i>			
Personnel Costs	72,999	69,897	3,102
Materials and Supplies	4,053	2,644	1,409
Contractual Services	5,528	25	5,503
Capital Outlay	1,349	120	1,229
Other	2,731	805	1,926
<i>Total Courts/Judge-Judge Administration</i>	<u>86,660</u>	<u>73,491</u>	<u>13,169</u>
Excess of Revenues Over (Under) Expenditures	(5,797)	7,372	13,169
<i>Fund Balance Beginning of Year</i>	14,369	14,369	-
Unexpended Prior Year Encumbrances	195	195	-
<i>Fund Balance End of Year</i>	<u><u>\$ 8,767</u></u>	<u><u>\$ 21,936</u></u>	<u><u>\$ 13,169</u></u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Prisoner Housing Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Fines and Forfeitures	\$ 10,000	\$ 4,982	\$ (5,018)
Expenditures			
Current:			
General Government:			
<i>Courts/Judge-Judge Administration:</i>			
Contractual Services	3,750	-	3,750
Excess of Revenues Over Expenditures	6,250	4,982	(1,268)
<i>Fund Balance Beginning of Year</i>	17,627	17,627	-
<i>Fund Balance End of Year</i>	<u>\$ 23,877</u>	<u>\$ 22,609</u>	<u>\$ (1,268)</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Local Law Enforcement Block Grant Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Capital Grants	\$ 16,442	\$ 16,442	\$ -
Interest	544	-	(544)
<i>Total Revenues</i>	<u>16,986</u>	<u>16,442</u>	<u>(544)</u>
Expenditures			
Current:			
Security of Persons and Property:			
Police Administration:			
Materials and Supplies	1,135	-	1,135
Capital Outlay	73,996	15,919	58,077
<i>Total Expenditures</i>	<u>75,131</u>	<u>15,919</u>	<u>59,212</u>
Excess of Revenues Over (Under) Expenditures	(58,145)	523	58,668
<i>Fund Balance Beginning of Year</i>	57,601	57,601	-
Unexpended Prior Year Encumbrances	544	544	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ 58,668</u>	<u>\$ 58,668</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Safe Neighborhood Heroes Grant
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Contributions and Donations	\$ 1,500	\$ 1,500	\$ -
Expenditures			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Materials and Supplies	1,500	639	861
Excess of Revenues Over (Under) Expenditures	-	861	861
<i>Fund Balance Beginning of Year</i>	703	703	-
<i>Fund Balance End of Year</i>	<u>\$ 703</u>	<u>\$ 1,564</u>	<u>\$ 861</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Police Donation
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	\$ -	\$ -	\$ -
Expenditures			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Materials and Supplies	2,000	-	2,000
Excess of Revenues Over (Under) Expenditures	(2,000)	-	2,000
<i>Fund Balance Beginning of Year</i>	2,000	2,000	-
<i>Fund Balance End of Year</i>	\$ -	\$ 2,000	\$ 2,000

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Canton Police Youth Corp Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	\$ -	\$ -	\$ -
Expenditures	-	-	-
Excess of Revenues Over (Under) Expenditures	-	-	-
<i>Fund Balance Beginning of Year</i>	8	8	-
<i>Fund Balance End of Year</i>	<u>\$ 8</u>	<u>\$ 8</u>	<u>\$ -</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Canton Police Auxiliary Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	\$ -	\$ -	\$ -
Expenditures			
Current:			
Security of Persons and Property:			
<i>Police Administration:</i>			
Contractual Services	2,500	165	2,335
Other	500	191	309
<i>Total Expenditures</i>	3,000	356	2,644
Excess of Revenues (Under) Expenditures	(3,000)	(356)	2,644
<i>Fund Balance Beginning of Year</i>	3,666	3,666	-
<i>Fund Balance End of Year</i>	\$ 666	\$ 3,310	\$ 2,644

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Fire Donation Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Contributions and Donations	\$ 3,610	\$ 3,610	\$ -
Expenditures			
Current:			
Security of Persons and Property:			
<i>Fire Administration:</i>			
Materials and Supplies	6,586	4,530	2,056
Excess of Revenues (Under) Expenditures	(2,976)	(920)	2,056
<i>Fund Balance Beginning of Year</i>	3,076	3,076	-
<i>Fund Balance End of Year</i>	<u>\$ 100</u>	<u>\$ 2,156</u>	<u>\$ 2,056</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Clerk of Courts Administration Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	\$ -	\$ -	\$ -
Expenditures	-	-	-
Excess of Revenues Over (Under) Expenditures	-	-	-
<i>Fund Balance Beginning of Year</i>	1,229	1,229	-
<i>Fund Balance End of Year</i>	<u>\$ 1,229</u>	<u>\$ 1,229</u>	<u>\$ -</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
EMS Training and Equipment Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Operating Grants	\$ 29,264	\$ 25,264	\$ (4,000)
Expenditures			
Current:			
Security of Persons and Property:			
<i>Fire Administration:</i>			
Materials and Supplies	7,352	-	7,352
Capital Outlay	25,631	25,470	161
<i>Total Expenditures</i>	32,983	25,470	7,513
Excess of Revenues (Under) Expenditures	(3,719)	(206)	3,513
<i>Fund Balance Beginning of Year</i>	3,668	3,668	-
Unexpended Prior Year Encumbrances	52	52	-
<i>Fund Balance End of Year</i>	<u>\$ 1</u>	<u>\$ 3,514</u>	<u>\$ 3,513</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Firefighters Assistance Grant Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	\$ -	\$ -	\$ -
Expenditures			
Current:			
Security of Persons and Property:			
<i>Fire Administration:</i>			
Materials and Supplies	162	-	162
Excess of Revenues Over (Under) Expenditures	(162)	-	162
<i>Fund Balance Beginning of Year</i>	162	162	-
<i>Fund Balance End of Year</i>	\$ -	\$ 162	\$ 162

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Clean Ohio Revitalization Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Capital Grants	\$ 7,195,563	\$ 710,706	\$ (6,484,857)
Expenditures			
Current:			
Community Environment:			
Community Development Administration:			
Personnel Costs			-
Materials and Supplies			-
Contractual Services	49,552	49,552	-
Capital Outlay	6,567,552	832,644	5,734,908
<i>Total Expenditures</i>	6,617,104	882,196	5,734,908
Excess of Revenues Over (Under) Expenditures	578,459	(171,490)	(749,949)
<i>Fund Balance (Deficit) Beginning of Year</i>	(672,103)	(672,103)	-
Unexpended Prior Year Encumbrances	93,644	93,644	-
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ -</u>	<u>\$ (749,949)</u>	<u>\$ (749,949)</u>

City of Canton, Ohio
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2008

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 3,220	\$ -	\$ 3,220
Cash and Cash Equivalents in Segregated Accounts	3,019	-	3,019
Taxes Receivable	-	16,854	16,854
Total Assets	<u>\$ 6,239</u>	<u>\$ 16,854</u>	<u>\$ 23,093</u>
Liabilities and Fund Balances			
<i>Current</i>			
Deferred Revenue	\$ -	\$ 16,854	\$ 16,854
<i>Net Assets and Other Credits</i>			
<i>Fund Balances</i>			
Unreserved:			
Undesignated, Reported in :			
Debt Service Funds	6,239	-	6,239
<i>Total Fund Balances</i>	<u>6,239</u>	<u>-</u>	<u>6,239</u>
Total Liabilities and Fund Balances	<u>\$ 6,239</u>	<u>\$ 16,854</u>	<u>\$ 23,093</u>

City of Canton, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Debt Service Funds
For the year ended December 31, 2008

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total Nonmajor Debt Service Funds
Revenues	\$ -	\$ -	\$ -
Expenditures	-	-	-
Net Change in Fund Balance	-	-	-
<i>Fund Balance at Beginning of Year</i>	6,239	-	6,239
<i>Fund Balance at End of Year</i>	<u>\$ 6,239</u>	<u>\$ -</u>	<u>\$ 6,239</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
General Obligation Bond Retirement Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	\$ -	\$ -	\$ -
Expenditures			
Debt Service:			
<i>Principal Retirement:</i>			
General Obligation Various Improvement Bonds	3,219	-	3,219
Excess of Revenues Over (Under) Expenditures	(3,219)	-	3,219
<i>Fund Balance Beginning of Year</i>	3,219	3,219	-
<i>Fund Balance End of Year</i>	\$ -	\$ 3,219	\$ 3,219

City of Canton, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2008

	Radio Communication Systems	2006 City Infrastructure Bond	Traffic Signalization	2006 Recreational Bond	2006 Construct/ Reconstruct Bond
Assets					
Equity in Pooled Cash and Cash Equivalents	\$ 596	\$ 3,509,623	\$ 26	\$ 1,045,224	\$ 6,027,039
Accounts Receivable	-	29,739	-	9,670	39,668
Due From Other Funds	-	400,000	-	-	-
Due From Other Governments	-	-	-	-	-
Total Assets	\$ 596	\$ 3,939,362	\$ 26	\$ 1,054,894	\$ 6,066,707
Liabilities and Fund Balances					
<i>Current</i>					
Accounts Payable	\$ -	\$ 57,692	\$ -	\$ 14,763	\$ 98,675
Retainage Payable	-	-	-	-	160,247
Total Liabilities	-	57,692	-	14,763	258,922
<i>Net Assets and Other Credits</i>					
<i>Fund Balances</i>					
Reserved for:					
Encumbrances	-	374,167	-	6,587	280,991
Other Purposes	-	400,000	-	-	-
Unreserved:					
Undesignated, Reported in :					
Capital Projects Funds	596	3,107,503	26	1,033,544	5,526,794
Total Fund Balances	596	3,881,670	26	1,040,131	5,807,785
Total Liabilities and Fund Balances	\$ 596	\$ 3,939,362	\$ 26	\$ 1,054,894	\$ 6,066,707

Judges Facilities/ City Hall Renovation	Civic Center Improvement	Tuscarawas Improvement	38th Street Improvement	Steese Drainage Project	49th & Gardendale Project	Bison Project & Kimble Road Storm Sewer	30th St NE Trunk Sewer	Total Nonmajor Capital Projects Funds
\$ 318,484	\$ 2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,900,994
-	-	-	-	-	-	-	-	79,077
-	-	-	-	-	-	-	-	400,000
-	-	9,486	97,177	-	-	-	-	106,663
<u>\$ 318,484</u>	<u>\$ 2</u>	<u>\$ 9,486</u>	<u>\$ 97,177</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,486,734</u>
\$ -	\$ -	\$ 9,486	\$ 97,177	\$ -	\$ -	\$ -	\$ -	\$ 277,793
-	-	-	-	-	-	-	-	160,247
-	-	9,486	97,177	-	-	-	-	438,040
-	-	905,092	791	82,016	169,740	533,800	1,514,506	3,867,690
-	-	-	-	-	-	-	-	400,000
318,484	2	(905,092)	(791)	(82,016)	(169,740)	(533,800)	(1,514,506)	6,781,004
318,484	2	-	-	-	-	-	-	11,048,694
<u>\$ 318,484</u>	<u>\$ 2</u>	<u>\$ 9,486</u>	<u>\$ 97,177</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,486,734</u>

City of Canton, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Capital Project Funds
For the year ended December 31, 2008

	Radio Communication Systems	2006 City Infrastructure Bond	Traffic Signalization	2006 Recreational Bond	2006 Construct/ Reconstruct Bond
Revenues					
Interest	\$ -	\$ 145,430	\$ -	\$ 40,331	\$ 179,030
Capital Grants and Contributions	-	-	-	-	-
Other	-	-	-	-	-
Total Revenues	-	145,430	-	40,331	179,030
Expenditures					
Current					
Capital Outlay	-	1,492,254	-	502,871	489,482
<i>Excess Revenues Over (Under) Expenditures</i>	-	(1,346,824)	-	(462,540)	(310,452)
Other Financing Sources					
Issuance of Debt	-	-	-	-	-
Total Other Financing Sources	-	-	-	-	-
Net Change in Fund Balance	-	(1,346,824)	-	(462,540)	(310,452)
<i>Fund Balance at Beginning of Year</i>	596	5,228,494	26	1,502,671	6,118,237
<i>Fund Balance at End of Year</i>	<u>\$ 596</u>	<u>\$ 3,881,670</u>	<u>\$ 26</u>	<u>\$ 1,040,131</u>	<u>\$ 5,807,785</u>

Judges Facilities/ City Hall Renovation	Civic Center Improvement	Tuscarawas Improvement	38th Street Improvement	Steese Drainage Project	49th & Gardendale Project	Bison Project & Kimble Rd Storm Sewer	30th St NE Trunk Sewer	Total Nonmajor Capital Projects Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 364,791
-	-	1,826,492	315,339	535,665	-	-	-	2,677,496
45,099	-	-	-	-	-	-	-	45,099
<u>45,099</u>	<u>-</u>	<u>1,826,492</u>	<u>315,339</u>	<u>535,665</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,087,386</u>
-	2,215	1,826,492	315,339	535,665	-	-	-	5,164,318
<u>45,099</u>	<u>(2,215)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,076,932)</u>
273,385	-	-	-	-	-	-	-	273,385
<u>273,385</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>273,385</u>
318,484	(2,215)	-	-	-	-	-	-	(1,803,547)
-	2,217	-	-	-	-	-	-	12,852,241
<u>\$ 318,484</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,048,694</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Capital Projects Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Municipal Income Tax	\$ 8,685,000	\$ 8,558,476	\$ (126,524)
Capital Grants	445,000	331,830	(113,170)
Other	26,200	89,887	63,687
<i>Total Revenues</i>	<u>9,156,200</u>	<u>8,980,193</u>	<u>(176,007)</u>
Expenditures			
Capital Outlay:			
Safety Director:			
Code Enforcement Administration	8,135	3,291	4,844
Central Communication Administration	6,000	5,627	373
Police Department-Police Administration	6,294	6,100	194
Fire Department-Fire Administration	179,657	178,250	1,407
Traffic Divisions:			
Traffic Signal	60,271	59,985	286
Service Director:			
Service Director Administration	251,423	236,576	14,847
Purchasing Administration	10,000	9,439	561
Engineering Administration	1,632,391	1,342,789	289,602
Engineering - Steese Area Drainage Project	83,862	83,861	1
Engineering - 30th St. NE Trunk Sewer & Improvement	56,898	56,898	-
Engineering - Tuscarawas St. Improvment	397	397	-
Engineering - 38th St Improvement	12,603	12,603	-
Engineering - West Side Park Trail & Bridge	195,000	61,449	133,551
Engineering - 2008 Sidewalk Program	100,000	100,000	-
Engineering - Bison Proj/Kimble Rd	227,500	187,551	39,949
Street Administration	34,215	21,339	12,876
Street Paving	2,933,639	2,635,015	298,624
Civic Center Administration	50,107	48,220	1,887
Building Maintenance Administration	44,762	43,924	838
Collection System Department	319,742	215,449	104,293
Health:			
Health Administration	5,932	5,931	1
Park Division:			
Park Administration	57,760	53,664	4,096
Mayor:			
Mayor Administration	22,499	9,791	12,708
Youth Development Administration	20,000	16,756	3,244
Management Information Systems:			
Communication Administration	510	-	510
Information Technology Manager	221,831	220,792	1,039
Council:			
Council Administration	10,000	225	9,775
Judges:			
Judge Administration	3,899	-	3,899
Court-Clerks:			
Clerk of Courts Administration	\$ 23,836	\$ 12,287	\$ 11,549

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Capital Projects Fund (continued)
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Law Director:			
Law Administration	\$ 25,000	\$ 12,237	\$ 12,763
Auditor:			
Auditor Administration	215,006	213,998	1,008
<i>Total Capital Outlay</i>	6,819,169	5,854,444	964,725
Debt Service:			
Principal Retirement	1,892,518	1,892,518	-
Interest and Fiscal Charges	819,103	819,103	-
<i>Total Debt Service</i>	2,711,621	2,711,621	-
<i>Total Expenditures</i>	9,530,790	8,566,065	964,725
Excess of Revenues Over (Under) Expenditures	(374,590)	414,128	788,718
Other Financing Sources			
Sale of Capital Assets	-	6,541	6,541
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(374,590)	420,669	795,259
<i>Fund Balance Beginning of Year</i>	214,375	214,375	-
Unexpended Prior Year Encumbrances	524,716	524,716	-
<i>Fund Balance End of Year</i>	<u>\$ 364,501</u>	<u>\$ 1,159,760</u>	<u>\$ 795,259</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Motor Vehicle Purchase Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Municipal Income Tax	\$ 2,190,401	\$ 2,139,619	\$ (50,782)
Rentals	20,025	20,580	555
<i>Total Revenues</i>	<u>2,210,426</u>	<u>2,160,199</u>	<u>(50,227)</u>
Expenditures			
Capital Outlay:			
Safety Director:			
Code Enforcement Administration	4,350	4,227	123
Central Communication Administration	314,000	145,330	168,670
Police Department-Police Administration	515,563	421,926	93,637
Fire Department-Fire Administration	427,828	274,408	153,420
Service Director:			
Service Director Administration	4,330	4,227	103
Engineering Administration	95,000	26,919	68,081
Street Administration	484,628	201,918	282,710
Health:			
Health Administration	21,235	21,136	99
Park Division:			
Park Administration	68,295	55,792	12,503
Mayor:			
Mayor Administration	4,325	4,227	98
Judges:			
Judge Administration	8,555	8,454	101
<i>Total Capital Outlay</i>	<u>1,948,109</u>	<u>1,168,564</u>	<u>779,545</u>
Debt Service:			
Principal Retirement	609,202	609,202	-
Interest and Fiscal Charges	97,118	97,118	-
<i>Total Debt Service</i>	<u>706,320</u>	<u>706,320</u>	<u>-</u>
<i>Total Expenditures</i>	<u>2,654,429</u>	<u>1,874,884</u>	<u>779,545</u>
Excess of Revenues Over (Under) Expenditures	(444,003)	285,315	729,318
Other Financing Sources			
Sale of Capital Assets	20,000	38,014	18,014
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	<u>(424,003)</u>	<u>323,329</u>	<u>747,332</u>
<i>Fund Balance Beginning of Year</i>	647,161	647,161	-
Unexpended Prior Year Encumbrances	5,852	5,852	-
<i>Fund Balance End of Year</i>	<u>\$ 229,010</u>	<u>\$ 976,342</u>	<u>\$ 747,332</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Radio Communication Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	\$ -	\$ -	\$ -
Expenditures	-	-	-
Excess of Revenues Over (Under) Expenditures	-	-	-
<i>Fund Balance Beginning of Year</i>	595	595	-
<i>Fund Balance End of Year</i>	<u>\$ 595</u>	<u>\$ 595</u>	<u>\$ -</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
2006 City Infrastructure Bond Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Interest	\$ 165,000	\$ 124,329	\$ (40,671)
Expenditures			
Capital Outlay:			
Service Director:			
Service Director Administration	1,247,079	208,614	1,038,465
Engineering - 49th St & Gardendale	685,981	503,727	182,254
Engineering - 30th St. NE Trunk Sewer & Improvement	246,700	246,700	-
Engineering - 25th St NE Storm Sewer	884,000	-	884,000
Engineering - Stein Industrial Park	246,446	59,701	186,745
Engineering - West Side Park Trail & Bridge	15,000	-	15,000
Engineering - Bison Proj/Kimble Rd	175,000	175,000	-
Engineering - Mahoning Rd Corr Prj	250,000	-	250,000
<i>Total Expenditures</i>	<u>3,750,206</u>	<u>1,193,742</u>	<u>2,556,464</u>
Excess of Revenues (Under) Expenditures	(3,585,206)	(1,069,413)	2,515,793
Other Financing Uses			
Advances Out	<u>(400,000)</u>	<u>(400,000)</u>	<u>-</u>
Excess of Revenues (Under) Expenditures and Other Financing Uses	(3,985,206)	(1,469,413)	2,515,793
<i>Fund Balance Beginning of Year</i>	4,537,829	4,537,829	-
<i>Unexpended Prior Year Encumbrance</i>	9,347	9,347	-
<i>Fund Balance End of Year</i>	<u><u>\$ 561,970</u></u>	<u><u>\$ 3,077,763</u></u>	<u><u>\$ 2,515,793</u></u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Traffic Signalization Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	\$ -	\$ -	\$ -
Expenditures	-	-	-
Excess of Revenues Over (Under) Expenditures	-	-	-
<i>Fund Balance Beginning of Year</i>	26	26	-
<i>Fund Balance End of Year</i>	<u>\$ 26</u>	<u>\$ 26</u>	<u>\$ -</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
2006 Recreational Bond Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Interest	\$ 32,000	\$ 33,153	\$ 1,153
Expenditures			
Capital Outlay:			
Service Director:			
Service Director Administration	956,673	87	956,586
Park Division:			
Park - Mallonn Memorial Park	90,026	25,226	64,800
Park - Willig Field	1,950	615	1,335
<i>Total Expenditures</i>	<u>1,048,649</u>	<u>25,928</u>	<u>1,022,721</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,016,649)</u>	<u>7,225</u>	<u>1,023,874</u>
<i>Fund Balance Beginning of Year</i>	1,016,562	1,016,562	-
<i>Unexpended Prior Year Encumbrance</i>	87	87	-
<i>Fund Balance End of Year</i>	<u><u>\$ -</u></u>	<u><u>\$ 1,023,874</u></u>	<u><u>\$ 1,023,874</u></u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
2006 Construct/Reconstruct Bond Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Interest	\$ 220,000	\$ 148,498	\$ (71,502)
Expenditures			
Capital Outlay:			
Service Director:			
Service Director Administration	5,724,026	170,473	5,553,553
Sears Building Improvement	5,075	-	5,075
Collection System Department	398,974	398,974	-
<i>Total Expenditures</i>	<u>6,128,075</u>	<u>569,447</u>	<u>5,558,628</u>
Excess of Revenues (Under) Expenditures	<u>(5,908,075)</u>	<u>(420,949)</u>	<u>5,487,126</u>
<i>Fund Balance Beginning of Year</i>	5,406,701	5,406,701	-
<i>Unexpended Prior Year Encumbrance</i>	501,374	501,374	-
<i>Fund Balance End of Year</i>	<u><u>\$ -</u></u>	<u><u>\$ 5,487,126</u></u>	<u><u>\$ 5,487,126</u></u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
2006 Judge Facilities/City Hall Reconstruction Bond
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Other	\$ 45,099	\$ 45,099	\$ -
Expenditures	-	-	-
Excess of Revenues Over Expenditures	45,099	45,099	-
Other Financing Sources			
Proceeds of Bonds	273,385	273,385	-
Excess of Revenues and Other Financing Sources Over Expenditures	318,484	318,484	-
<i>Fund Balance Beginning of Year</i>	-	-	-
<i>Fund Balance End of Year</i>	<u>\$ 318,484</u>	<u>\$ 318,484</u>	<u>\$ -</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Civic Center Improvement Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues	\$ -	\$ -	\$ -
Expenditures			
Capital Outlay:			
Service Director:			
Civic Center Administration	2,216	2,215	1
Excess of Revenues (Under) Expenditures	(2,216)	(2,215)	1
<i>Fund Balance Beginning of Year</i>	2,216	2,216	-
<i>Fund Balance End of Year</i>	\$ -	\$ 1	\$ 1

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Tuscarawas Street Improvement Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Capital Grants	\$ 2,527,510	\$ 1,817,006	\$ (710,504)
Expenditures			
Capital Outlay:			
Engineering - Tuscarawas St. Improvement	1,365,233	914,578	450,655
Excess of Revenues Over Expenditures	1,162,277	902,428	(259,849)
<i>Fund Balance (Deficit) Beginning of Year</i>	(1,970,383)	(1,970,383)	-
Unexpended Prior Year Encumbrances	808,106	808,106	-
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ -</u>	<u>\$ (259,849)</u>	<u>\$ (259,849)</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Midway Avenue Improvement Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Capital Grants	\$ 9,733	\$ 9,733	\$ -
Expenditures	-	-	-
Excess of Revenues Over Expenditures	9,733	9,733	-
<i>Fund Balance (Deficit) Beginning of Year</i>	(9,733)	(9,733)	-
Unexpended Prior Year Encumbrances	-	-	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
38th Street Improvement Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Capital Grants	\$ 316,130	\$ 218,162	\$ (97,968)
Expenditures			
Capital Outlay:			
Engineering Administration	97,968	97,968	-
Excess of Revenues Over Expenditures	218,162	120,194	(97,968)
<i>Fund Balance (Deficit) Beginning of Year</i>	(316,130)	(316,130)	-
Unexpended Prior Year Encumbrances	97,968	97,968	-
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ -</u>	<u>\$ (97,968)</u>	<u>\$ (97,968)</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Steese Area Drainage Project Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Capital Grants	\$ 617,681	\$ 535,665	\$ (82,016)
Expenditures			
Capital Outlay:			
Engineering - Steese Area Drainage Project	82,016	82,016	-
Excess of Revenues Over Expenditures	535,665	453,649	(82,016)
<i>Fund Balance (Deficit) Beginning of Year</i>	(617,681)	(617,681)	-
Unexpended Prior Year Encumbrances	82,016	82,016	-
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ -</u>	<u>\$ (82,016)</u>	<u>\$ (82,016)</u>

City of Canton, Ohio
*Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
49th St & Gardendale NE Storm Sewer Project
For the Year Ended December 31, 2008*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Capital Grants	\$ 250,860	\$ -	\$ (250,860)
Expenditures			
Capital Outlay:			
Engineering - 49th St & Gardendale	250,860	169,740	81,120
Excess of Revenues Over (Under) Expenditures	-	(169,740)	(169,740)
<i>Fund Balance Beginning of Year</i>	-	-	-
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ -</u>	<u>\$ (169,740)</u>	<u>\$ (169,740)</u>

City of Canton, Ohio
*Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
Bison Project & Kimble Road Storm Sewer
For the Year Ended December 31, 2008*

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Capital Grants	\$ 646,700	\$ -	\$ (646,700)
Expenditures			
Capital Outlay:			
Engineering - Bison Proj/Kimble Rd	646,700	533,800	112,900
Excess of Revenues Over (Under) Expenditures	-	(533,800)	(533,800)
<i>Fund Balance Beginning of Year</i>	-	-	-
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ -</u>	<u>\$ (533,800)</u>	<u>\$ (533,800)</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
30th St NE Trunk Sewer
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Capital Grants	\$ 2,101,300	\$ -	\$ (2,101,300)
Expenditures			
Capital Outlay:			
Engineering - 30th St. NE Trunk Sewer & Improvement	2,101,300	1,514,506	586,794
Excess of Revenues Over (Under) Expenditures	-	(1,514,506)	(1,514,506)
<i>Fund Balance Beginning of Year</i>	-	-	-
<i>Fund Balance (Deficit) End of Year</i>	<u>\$ -</u>	<u>\$ (1,514,506)</u>	<u>\$ (1,514,506)</u>

City of Canton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balances -Budget (Non-GAAP Basis) and Actual
25th St NE Storm Sewer Project
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Capital Grants	\$ 1,430,971	\$ -	\$ (1,430,971)
Expenditures			
Capital Outlay:			
Engineering - 25th St NE Storm Sewer	1,430,971	-	1,430,971
Excess of Revenues Over (Under) Expenditures	-	-	-
<i>Fund Balance Beginning of Year</i>	-	-	-
<i>Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Canton, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity-Budget (Non-GAAP Basis) and Actual
Water Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 13,069,160	\$ 12,631,522	\$ (437,638)
Interest	7,000	2,839	(4,161)
Capital Grants	251,200	251,200	-
Rentals	58,500	64,937	6,437
Other	135,231	90,134	(45,097)
<i>Total Revenues</i>	<u>13,521,091</u>	<u>13,040,632</u>	<u>(480,459)</u>
Expenses			
Personnel Costs	6,701,173	6,319,985	381,188
Material and Supplies	1,527,192	1,362,245	164,947
Contractual Services	2,674,466	2,341,265	333,201
Capital Outlay	897,649	660,685	236,964
Claims	97,591	37,586	60,005
Other	204,010	182,928	21,082
Debt Service:			
Principal Retirement	1,868,081	1,856,769	11,312
Interest and Fiscal Charges	620,020	604,860	15,160
<i>Total Expenses</i>	<u>14,590,182</u>	<u>13,366,323</u>	<u>1,223,859</u>
Excess of Revenues (Under) Expenses	(1,069,091)	(325,691)	743,400
Other Financing Sources (Uses)			
Sale of Capital Assets	10,000	4,525	(5,475)
Proceeds of Loans	3,529,826	2,215,953	(1,313,873)
Transfers Out	(173,283)	-	173,283
<i>Total Other Financing Sources (Uses)</i>	<u>3,366,543</u>	<u>2,220,478</u>	<u>(1,146,065)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenses	2,297,452	1,894,787	(402,665)
<i>Fund Equity Beginning of Year</i>	4,511,479	4,511,479	-
Unexpended Prior Year Encumbrances	528,342	528,342	-
<i>Fund Equity End of Year</i>	<u>\$ 7,337,273</u>	<u>\$ 6,934,608</u>	<u>\$ (402,665)</u>

City of Canton, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity-Budget (Non-GAAP Basis) and Actual
Sewer Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 10,247,276	\$ 10,311,373	\$ 64,097
Interest	30,000	35,257	5,257
Capital Grants	697,564	697,564	-
Rentals	15,000	22,963	7,963
Other	800,000	718,357	(81,643)
<i>Total Revenues</i>	<u>11,789,840</u>	<u>11,785,514</u>	<u>(4,326)</u>
Expenses			
Personnel Costs	5,529,336	4,830,439	698,897
Material and Supplies	1,040,054	624,693	415,361
Contractual Services	3,803,230	2,793,249	1,009,981
Capital Outlay	1,368,524	543,802	824,722
Claims	16,340	2,818	13,522
Other	138,866	53,086	85,780
Debt Service:			
Principal Retirement	1,622,114	1,622,114	-
Interest and Fiscal Charges	382,614	382,614	-
<i>Total Expenses</i>	<u>13,901,078</u>	<u>10,852,815</u>	<u>3,048,263</u>
Excess of Revenues Over (Under) Expenses	(2,111,238)	932,699	3,043,937
Other Financing (Uses)			
Transfers Out	(100,000)	-	100,000
Excess of Revenues Over/(Under) Expenses and Other Financing (Uses)	(2,211,238)	932,699	3,143,937
<i>Fund Equity Beginning of Year</i>	4,266,411	4,266,411	-
Unexpended Prior Year Encumbrances	712,235	712,235	-
<i>Fund Equity End of Year</i>	<u>\$ 2,767,408</u>	<u>\$ 5,911,345</u>	<u>\$ 3,143,937</u>

City of Canton, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity-Budget (Non-GAAP Basis) and Actual
Refuse Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 5,129,025	\$ 4,617,673	\$ (511,352)
Interest	8,000	2,324	(5,676)
Operating Grants	60,000	100,999	40,999
Other	38,616	41,321	2,705
<i>Total Revenues</i>	<u>5,235,641</u>	<u>4,762,317</u>	<u>(473,324)</u>
Expenses			
Personnel Costs	3,484,597	3,130,070	354,527
Material and Supplies	104,016	77,853	26,163
Contractual Services	1,584,981	1,481,226	103,755
Capital Outlay	14,329	8,218	6,111
Claims	8,841	4,766	4,075
Other	62,540	61,097	1,443
Debt Service:			
Principal Retirement	273,385	273,385	-
<i>Total Expenses</i>	<u>5,532,689</u>	<u>5,036,615</u>	<u>496,074</u>
Excess of Revenues (Under) Expenses	(297,048)	(274,298)	22,750
Other Financing Sources (Uses)			
Sale of Capital Assets	-	2,650	2,650
Advances In	300,000	300,000	-
Advances Out	(300,000)	(300,000)	-
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>2,650</u>	<u>2,650</u>
Excess of Revenues and Other Financing Sources (Under) Expenses and Other Financing (Uses)	(297,048)	(271,648)	25,400
<i>Fund Equity Beginning of Year</i>	374,331	374,331	-
Unexpended Prior Year Encumbrances	8,576	8,576	-
<i>Fund Equity End of Year</i>	<u>\$ 85,859</u>	<u>\$ 111,259</u>	<u>\$ 25,400</u>

Nonmajor Internal Service Funds

Internal Service Funds are established to account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis.

Workers' Compensation Retrospective Fund To account for the charges to operating funds on a percentage of payroll basis and the payment of premiums and claims under the retrospective rating plan as provided by the Ohio Bureau of Workers' Compensation.

Health Insurance Fund To account for charges to the operating funds on a per employee basis for the health and hospitalization self-insurance, eye and dental insurance and for payments to AFSCME for the unions' administered employees' eye and dental premiums. This fund also pays the salaries and fringe benefits of the employees responsible for administering and processing claims.

Compensated Absences Claim Fund To account for charges to the operating funds on a per employee basis for the claims associated with and mandated by local and state fringe benefit provisions including accumulated sick time, continuing disability, banked vacation, and termination pay.

City of Canton, Ohio
Combining Statement of Net Assets
Nonmajor Internal Service Funds
December 31, 2008

	Workers Compensation	Health Insurance	Compensated Absences Claims	Total Nonmajor Internal Service
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 4,382,826	\$ 1,877,686	\$ 2,879,031	\$ 9,139,543
Accounts Receivable	-	636,601	-	636,601
Due From Other Funds	100,868	-	138,821	239,689
Total Assets	<u>\$ 4,483,694</u>	<u>\$ 2,514,287</u>	<u>\$ 3,017,852</u>	<u>\$ 10,015,833</u>
Liabilities				
<i>Current</i>				
Accounts Payable	\$ 338	\$ 222,088	\$ -	\$ 222,426
Accrued Wages and Benefits	1,234	1,876	-	3,110
Due to Other Governments	290	441	15,058	15,789
Due Within One Year	-	-	1,555,577	1,555,577
Claims Payable - Current	2,100,000	1,387,673	57,880	3,545,553
<i>Total Current</i>	<u>2,101,862</u>	<u>1,612,078</u>	<u>1,628,515</u>	<u>5,342,455</u>
<i>Noncurrent</i>				
Due Within More Than One Year	-	-	6,515,793	6,515,793
Total Liabilities	<u>2,101,862</u>	<u>1,612,078</u>	<u>8,144,308</u>	<u>11,858,248</u>
<i>Net Assets</i>				
Unrestricted	2,381,832	902,209	(5,126,456)	(1,842,415)
Total Net Assets and Liabilities	<u>\$ 4,483,694</u>	<u>\$ 2,514,287</u>	<u>\$ 3,017,852</u>	<u>\$ 10,015,833</u>

City of Canton, Ohio
Combining Statement of Revenues, Expenses
and Changes in Fund Net Assets
Nonmajor Internal Service Funds
For the year ended December 31, 2008

	Workers Compensation	Health Insurance	Compensated Absences Claims	Total Nonmajor Internal Service
Revenues				
Charges for Services	\$ 1,274,547	\$ 7,348,454	\$ 3,427,797	\$ 12,050,798
Other	34,342	354,268	-	388,610
Total Revenue	<u>1,308,889</u>	<u>7,702,722</u>	<u>3,427,797</u>	<u>12,439,408</u>
Operating Expenses				
Personal Services	58,546	88,414	-	146,960
Contractual Services	41,158	698,058	3,571	742,787
Materials and Supplies	2,018	1,254	-	3,272
Insurance Claims and Expenses	1,536,115	8,385,179	-	9,921,294
Benefit Claim Expenses	-	-	3,791,585	3,791,585
Other	539	97	-	636
Total Operating Expenses	<u>1,638,376</u>	<u>9,173,002</u>	<u>3,795,156</u>	<u>14,606,534</u>
Change in Net Assets	(329,487)	(1,470,280)	(367,359)	(2,167,126)
<i>Total Net Assets at Beginning of Year</i>	2,711,319	2,372,489	(4,759,097)	324,711
<i>Total Net Assets at End of Year</i>	<u>\$ 2,381,832</u>	<u>\$ 902,209</u>	<u>\$ (5,126,456)</u>	<u>\$ (1,842,415)</u>

City of Canton, Ohio
Combining Statement of Cash Flows
Nonmajor Internal Service Funds
For the year ended December 31, 2008

	Workers Compensation	Health Insurance	Compensated Absences Claims	Total
Cash Flows From Operating Activities				
Receipts from Customers and Users	\$ 1,274,547	\$ 7,348,214	\$ 3,417,998	\$ 12,040,759
Other Cash Receipts	78,192	398,397	-	476,589
Payments to Suppliers	(44,705)	(698,091)	(2,115)	(744,911)
Payments to Employees	(59,926)	(90,306)	-	(150,232)
Claims Paid	(1,446,837)	(7,778,624)	(4,489,284)	(13,714,745)
Other Cash Payments	(539)	(145)	-	(684)
Internal Activity - Repayment From Other Funds	800,647	-	-	800,647
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	601,379	(820,555)	(1,073,401)	(1,292,577)
Balance - Beginning of the Year	3,781,447	2,698,241	3,952,432	10,432,120
Balance - End of the Year	<u>4,382,826</u>	<u>1,877,686</u>	<u>2,879,031</u>	<u>9,139,543</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	(329,487)	(1,470,280)	(367,359)	(2,167,126)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities				
Change in Assets and Liabilities:				
Accounts Receivables, net	43,850	43,889	-	87,739
Due From Other Funds	800,647	-	(9,799)	790,848
Accounts Payables	(1,529)	1,173	-	(356)
Accrued Wages Payable	(1,123)	(1,541)	-	(2,664)
Intergovernmental Payable	(257)	(351)	(18,403)	(19,011)
Compensated Absences Payable	-	-	(591,492)	(591,492)
Claims Payable	89,278	606,555	(86,348)	609,485
Net Cash Provided (Used) by Operating Activities	<u>\$ 601,379</u>	<u>\$ (820,555)</u>	<u>\$ (1,073,401)</u>	<u>\$ (1,292,577)</u>

City of Canton, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity-Budget (Non-GAAP Basis) and Actual
Workers' Compensation Retrospective Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 1,380,000	\$ 1,274,547	\$ (105,453)
Other	873,015	878,839	5,824
<i>Total Revenues</i>	<u>2,253,015</u>	<u>2,153,386</u>	<u>(99,629)</u>
Expenses			
Personnel Costs	69,685	59,926	9,759
Material and Supplies	2,050	2,018	32
Contractual Services	109,100	40,887	68,213
Claims	1,500,000	1,446,837	53,163
Other	850	539	311
<i>Total Expenses</i>	<u>1,681,685</u>	<u>1,550,207</u>	<u>131,478</u>
Excess of Revenues Over Expenses	571,330	603,179	31,849
<i>Fund Equity Beginning of Year</i>	<u>3,779,307</u>	<u>3,779,307</u>	<u>-</u>
<i>Fund Equity End of Year</i>	<u><u>\$ 4,350,637</u></u>	<u><u>\$ 4,382,486</u></u>	<u><u>\$ 31,849</u></u>

City of Canton, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity-Budget (Non-GAAP Basis) and Actual
Health Insurance Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 7,233,111	\$ 7,348,214	\$ 115,103
Other	480,000	398,397	(81,603)
<i>Total Revenues</i>	<u>7,713,111</u>	<u>7,746,611</u>	<u>33,500</u>
Expenses			
Personnel Costs	107,084	90,306	16,778
Material and Supplies	933	60	873
Contractual Services	828,475	696,601	131,874
Claims	9,362,560	8,307,192	1,055,368
Other	100	97	3
<i>Total Expenses</i>	<u>10,299,152</u>	<u>9,094,256</u>	<u>1,204,896</u>
Excess of Revenues (Under) Expenses	(2,586,041)	(1,347,645)	1,238,396
<i>Fund Equity Beginning of Year</i>	1,662,923	1,662,923	-
Unexpended Prior Year Encumbrances	923,118	923,118	-
<i>Fund Equity End of Year</i>	<u>\$ -</u>	<u>\$ 1,238,396</u>	<u>\$ 1,238,396</u>

City of Canton, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity-Budget (Non-GAAP Basis) and Actual
Compensated Absences Claim Fund
For the Year Ended December 31, 2008

	Final Budget	Actual	Variance with Final Budget Over/(Under)
Revenues			
Charges for Services	\$ 3,210,000	\$ 3,417,998	\$ 207,998
Expenses			
Contractual Services	5,000	5,000	-
Benefit Claims Expense	4,960,000	4,489,284	470,716
<i>Total Expenses</i>	<u>4,965,000</u>	<u>4,494,284</u>	<u>470,716</u>
Excess of Revenues (Under) Expenses	(1,755,000)	(1,076,286)	678,714
<i>Fund Equity Beginning of Year</i>	3,952,434	3,952,434	-
<i>Fund Equity End of Year</i>	<u><u>\$ 2,197,434</u></u>	<u><u>\$ 2,876,148</u></u>	<u><u>\$ 678,714</u></u>

Combining Statements-Fiduciary Funds

Fiduciary funds are used to account for assets held by the City in trustee capacity, or as an agent for individuals, private organizations, other governments, and/or other funds.

Private Purpose Trust

This fund is accounted for in essentially the same manner as proprietary funds.

Hartford Houtz Fund To account for monies donated to be used to improve the health and education of children.

Agency Funds

Agency funds are purely custodial (assets equal liabilities) and thus do not involve the measurement of results of operations.

Building Escrow Fund To account for receipts from insurance companies, under City and State statutes, necessary to ensure compliance with building codes after a structure fire. Disbursements are normally to property owners upon release from the code enforcement department.

Payroll Clearing Fund To account for payroll taxes and other related payroll deductions accumulated from the funds for distribution to other governmental units and private organizations.

Employee Buyout Incentive Fund To account for money being held and disbursed in conjunction with the City's 2002 Incentive Retirement Plan.

Auditor's Transfer Fund To account for and hold receipts from various entities until proper disbursement.

Municipal Court Fund To account for municipal court activities, including the civil division and trusteeship accounts, not currently reflected on the City's records.

Ticketmaster Fund To account for money received and reimbursed for event tickets sold through the Ticketmaster System.

Building Department State Assessment Fund To account for assessments that are collected by the City on building projects on behalf of the state.

Downtown Special Improvement District Fund To keep track of property taxes collect by the City for a Special Improvement District. Once the City receives the money it is immediately reimbursed to the board of the district.

Civic Center Event Expense Clearing Fund To account for money the City receives from event promoters that then must be paid to individuals or associations that performed work during the event.

City of Canton, Ohio
Combining Statement of Changes in Assets and Liabilities
Fiduciary Funds
For the year ended December 31, 2008

	Balance 01/01/08	Additions	Reductions	Balance 12/31/08
<i>Building Escrow</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 176,616	\$ 173,943	\$ 235,961	\$ 114,598
Liabilities				
Deposits Held and Due to Others	\$ 176,616	\$ 173,943	\$ 235,961	\$ 114,598
<i>Payroll Clearing</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 1,021,439	\$ 14,177,776	\$ 13,634,948	\$ 1,564,267
Liabilities				
Due to Other Governments	\$ 1,021,439	\$ 14,177,776	\$ 13,634,948	\$ 1,564,267
<i>Employee Buyout Incentive</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 56,323	\$ 50,089	\$ 106,412	\$ -
Liabilities				
Deposits Held and Due to Others	\$ 56,323	\$ 50,089	\$ 106,412	\$ -
<i>Auditors Transfer</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 157,545	\$ 100,864	\$ 177,579	\$ 80,830
Cash and Cash Equivalents in Segregated Accounts	533	15,677	15,875	335
Total Assets	\$ 158,078	\$ 116,541	\$ 193,454	\$ 81,165
Liabilities				
Deposits Held and Due to Others	\$ 158,078	\$ 116,541	\$ 193,454	\$ 81,165
<i>Municipal Court</i>				
Assets				
Cash and Cash Equivalents in Segregated Accounts	\$ 74,464	\$ 8,614,086	\$ 8,601,100	\$ 87,450
Liabilities				
Undistributed Assets	\$ 74,464	\$ 8,614,086	\$ 8,601,100	\$ 87,450

City of Canton, Ohio
Combining Statement of Changes in Assets and Liabilities
Fiduciary Funds (continued)
For the year ended December 31, 2008

	Balance 01/01/08	Additions	Reductions	Balance 12/31/08
<i>Ticketmaster</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 188,198	\$ 1,116,823	\$ 1,002,442	\$ 302,579
Liabilities				
Undistributed Assets	\$ 188,198	\$ 1,116,823	\$ 1,002,442	\$ 302,579
<i>Building Department State Assessment</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 8,304	\$ 11,117	\$ 18,089	\$ 1,332
Liabilities				
Deposits Held and Due to Others	\$ 8,304	\$ 11,117	\$ 18,089	\$ 1,332
<i>Downtown Special Improvement District</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ -	\$ 151,827	\$ 151,827	\$ -
Liabilities				
Deposits Held and Due to Others	\$ -	\$ 151,827	\$ 151,827	\$ -
<i>Civic Center Event Expense Clearing</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 13,392	\$ 320,968	\$ 322,723	\$ 11,637
Liabilities				
Deposits Held and Due to Others	\$ 13,392	\$ 320,968	\$ 322,723	\$ 11,637
<i>All Agency Funds</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 1,621,817	\$ 16,103,407	\$ 15,649,981	\$ 2,075,243
Cash and Cash Equivalents in Segregated Accounts	74,997	8,629,763	8,616,975	87,785
Total Assets	\$ 1,696,814	\$ 24,733,170	\$ 24,266,956	\$ 2,163,028
Liabilities				
Due to Other Governments	\$ 1,021,439	\$ 14,177,776	\$ 13,634,948	\$ 1,564,267
Undistributed Assets	262,662	9,730,909	9,603,542	390,029
Deposits Held and Due to Others	412,713	824,485	1,028,466	208,732
Total Liabilities	\$ 1,696,814	\$ 24,733,170	\$ 24,266,956	\$ 2,163,028

Statistical Section

This part of the City of Canton Ohio's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

Financial Trends

S1-S6

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

S7-S8

These schedules contain information to help the reader assess the City's most significant local revenue, municipal income tax.

Debt Capacity

S9-S16

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Economic and Demographic Information

S17-S18

These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

S19-S22

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The City implemented GASB Statement No. 34 in 2001; schedules presenting government-wide information on a full accrual basis include information beginning in that year.

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City of Canton, Ohio
*Net Assets by Component,
 Last Eight Years**
 (accrual basis of accounting)

	2008	2007	2006	2005	2004	2003	2002	2001
Governmental Activities								
Invested in Capital Assets,								
Net of Related Debt	\$ 94,910,241	\$ 93,469,817	\$ 75,027,928	\$ 82,872,262	\$ 83,624,341	\$ 98,931,209	\$ 98,983,621	\$ 103,476,691
Restricted	32,898,704	34,630,751	20,993,547	25,406,034	23,251,676	23,301,757	28,310,363	28,052,229
Unrestricted	1,897,801	2,288,255	23,324,075	1,934,685	6,550,811	(3,805,301)	(596,896)	5,137,112
Total Governmental								
Activities Net Assets	<u>\$ 129,706,746</u>	<u>\$ 130,388,823</u>	<u>\$ 119,345,550</u>	<u>\$ 110,212,981</u>	<u>\$ 113,426,828</u>	<u>\$ 118,427,665</u>	<u>\$ 126,697,088</u>	<u>\$ 136,666,032</u>
Business-Type Activities								
Invested in Capital Assets,								
Net of Related Debt	\$ 64,137,417	\$ 61,597,239	\$ 56,337,077	\$ 58,415,826	\$ 54,636,994	\$ 49,682,535	\$ 50,200,502	\$ 49,976,166
Restricted	-	-	-	-	-	-	-	-
Unrestricted	22,651,308	21,120,626	24,712,950	23,029,865	21,479,727	24,300,177	20,809,501	18,376,297
Total Business-Type								
Activities Net Assets	<u>\$ 86,788,725</u>	<u>\$ 82,717,865</u>	<u>\$ 81,050,027</u>	<u>\$ 81,445,691</u>	<u>\$ 76,116,721</u>	<u>\$ 73,982,712</u>	<u>\$ 71,010,003</u>	<u>\$ 68,352,463</u>
Primary Government								
Invested in Capital Assets,								
Net of Related Debt	\$ 159,047,658	\$ 155,067,056	\$ 131,365,005	\$ 141,288,088	\$ 138,261,335	\$ 148,613,744	\$ 149,184,123	\$ 153,452,857
Restricted	32,898,704	34,630,751	20,993,547	25,406,034	23,251,676	23,301,757	28,310,363	28,052,229
Unrestricted	24,549,109	23,408,881	48,037,025	24,964,550	28,030,538	20,494,876	20,212,605	23,513,409
Total Primary Government								
Net Assets	<u>\$ 216,495,471</u>	<u>\$ 213,106,688</u>	<u>\$ 200,395,577</u>	<u>\$ 191,658,672</u>	<u>\$ 189,543,549</u>	<u>\$ 192,410,377</u>	<u>\$ 197,707,091</u>	<u>\$ 205,018,495</u>

*=The City first implemented GASB 34 in 2001 thus making it the oldest information available.

City of Canton, Ohio
Changes in Net Assets
Last Eight Years*
(accrual basis of accounting)

	2008	2007	2006	2005	2004	2003	2002	2001
Expenses								
Governmental Activities:								
General Government	\$ 20,109,980	\$ 20,429,740	\$ 19,042,092	\$ 18,585,104	\$ 16,658,224	\$ 15,454,089	\$ 16,975,011	\$ 18,599,976
Security of Persons and Property	39,952,807	37,157,956	33,635,452	33,732,631	31,987,242	32,018,034	32,660,736	34,573,006
Public Health	6,232,337	6,117,315	5,368,723	5,407,095	4,691,879	4,847,020	4,481,286	4,600,280
Transportation	11,010,239	11,773,016	10,159,315	14,339,105	17,253,856	18,775,982	16,821,177	17,642,325
Community Development	6,011,649	6,612,257	6,554,058	7,898,906	6,523,014	5,002,599	6,530,815	7,450,015
Leisure Time Activities	2,986,053	3,041,931	2,873,234	2,880,704	2,470,793	2,344,346	2,721,562	2,904,796
Interest on Long-Term Debt	1,154,014	1,259,708	852,785	923,542	1,140,758	1,252,757	1,416,115	1,308,012
Total Governmental Activities Expenses	87,457,079	86,391,923	78,485,659	83,767,087	80,725,766	79,694,827	81,606,702	87,078,410
Business-Type Activities:								
Water	10,644,920	10,434,121	11,243,727	9,377,995	9,801,322	9,125,850	10,815,081	10,379,206
Sewer	10,344,713	11,688,039	10,560,129	9,934,130	10,472,024	9,978,082	10,098,802	9,099,094
Refuse	5,057,233	4,516,698	4,792,409	4,481,498	4,662,221	4,339,264	4,274,006	4,308,981
Total Business-Type Activities Expenses	26,046,866	26,638,858	26,596,265	23,793,623	24,935,567	23,443,196	25,187,889	23,787,281
Total Primary Government Expenses	\$ 113,503,945	\$ 113,030,781	\$ 105,081,924	\$ 107,560,710	\$ 105,661,333	\$ 103,138,023	\$ 106,794,591	\$ 110,865,691
Program Revenues								
Governmental Activities:								
Charges for Service:								
EMS Charges	\$ 2,474,214	\$ 1,985,989	\$ 1,784,536	\$ 2,371,411	\$ 1,395,186	\$ 1,558,680	\$ 2,160,994	\$ 1,879,504
Leisure Activities	646,817	798,451	773,910	813,852	232,984	288,023	285,019	300,007
Licenses & Permits	1,548,478	905,168	1,019,509	1,141,214	1,534,574	1,092,035	881,234	904,340
Municipal Court Receipts	3,350,496	3,098,405	3,008,935	2,851,322	2,533,514	2,383,706	1,808,609	1,656,428
Other Activities	6,922,471	8,568,936	5,832,267	3,818,855	6,276,902	6,124,680	5,777,392	5,435,255
Operating Grants and Contributions	7,017,103	7,976,893	8,754,801	7,142,814	7,575,379	7,317,218	6,261,103	9,971,475
Capital Grants and Contributions	3,743,113	5,061,069	761,444	1,424,710	2,527,019	865,422	1,211,848	43,518
Total Governmental Activities Program Revenues	25,702,692	28,394,911	21,935,402	19,564,178	22,075,558	19,629,764	18,386,199	20,190,527
Business-Type Activities:								
Charges for Service:								
Water	12,452,723	12,210,478	11,829,857	11,494,324	11,184,797	10,943,207	10,774,701	11,372,102
Sewer	10,570,525	9,877,966	9,954,669	10,037,212	10,058,832	10,156,755	10,458,396	9,469,606
Refuse	4,778,453	4,316,457	4,287,009	4,141,408	4,158,393	4,164,018	4,219,995	4,222,788
Operating Grants and Contributions	108,822	56,133	127,712	38,115	24,830	12,809	-	-
Capital Grants and Contributions	1,939,593	1,308,396	895,234	1,083,890	1,492,713	1,466,359	1,573,931	406,770
Total Business-Type Activities Program Revenues	29,850,116	27,769,430	27,094,481	26,794,949	26,919,565	26,743,148	27,027,023	25,471,266
Total Primary Government Program Revenues	\$ 55,552,808	\$ 56,164,341	\$ 49,029,883	\$ 46,359,127	\$ 48,995,123	\$ 46,372,912	\$ 45,413,222	\$ 45,661,793

*=The City first implemented GASB 34 in 2001 thus making it the oldest information available.

City of Canton, Ohio
Changes in Net Assets (Continued)
*Last Eight Years**
(accrual basis of accounting)

	2008	2007	2006	2005	2004	2003	2002	2001
Net (Expenses)/Revenues								
Governmental Activities	\$ (61,754,387)	\$ (57,997,012)	\$ (56,550,257)	\$ (64,202,909)	\$ (58,650,208)	\$ (60,065,063)	\$ (63,220,503)	\$ (66,887,883)
Business-Type Activities	3,803,250	1,130,572	498,216	3,001,326	1,983,998	3,299,952	1,839,134	1,683,985
Total Primary Government Net Expense	\$ (57,951,137)	\$ (56,866,440)	\$ (56,052,041)	\$ (61,201,583)	\$ (56,666,210)	\$ (56,765,111)	\$ (61,381,369)	\$ (65,203,898)

Governmental Revenues and Other Changes in Net Assets

Governmental Activities:

Taxes:

Income Tax	\$ 43,086,906	\$ 47,092,829	\$ 43,149,683	\$ 41,779,236	\$ 38,977,012	\$ 38,169,084	\$ 37,737,290	\$ 40,095,014
Property Tax	4,475,101	4,097,125	3,602,511	3,711,731	3,209,850	3,841,736	2,380,555	4,069,952
Intergovernmental	8,938,333	10,576,712	10,005,403	9,992,527	9,222,630	8,420,742	9,845,016	10,340,160
Grants and Contributions	-	145,890	425,686	401,785	10,513	13,811	376,555	500,000
Interest and Investment Earnings	1,592,671	3,187,667	2,048,038	1,289,382	654,913	477,079	914,642	2,453,323
Other	2,979,299	3,940,062	4,631,537	3,814,401	1,574,453	1,593,280	2,461,050	2,709,948
Proceeds on Sale of Fixed Assets	-	-	148,468	-	-	6,182	83,122	594,847
Transfers	-	-	-	-	-	-	(420,982)	(173,084)
Total Governmental Activities	61,072,310	69,040,285	64,011,326	60,989,062	53,649,371	52,521,914	53,377,248	60,590,160

Business-Type Activities:

Intergovernmental	-	-	33,167	33,167	17,992	-	-	8,040
Grants and Contributions	-	-	137,190	95,627	-	-	-	-
Interest and Investment Earnings	40,203	144,713	17,416	10,792	7,264	7,851	10,828	294,325
Other	220,621	373,715	141,585	2,188,058	115,130	182,873	102,496	775,704
Proceeds on Sale of Fixed Assets	6,786	18,838	24,254	-	9,625	-	59,764	32,500
Transfers	-	-	-	-	-	-	420,982	173,084
Total Business-Type Activities	267,610	537,266	353,612	2,327,644	150,011	190,724	594,070	1,283,653
Total Primary Government	\$ 61,339,920	\$ 69,577,551	\$ 64,364,938	\$ 63,316,706	\$ 53,799,382	\$ 52,712,638	\$ 53,971,318	\$ 61,873,813

Change in Net Assets

Governmental Activities	\$ (682,077)	\$ 11,043,273	\$ 7,461,069	\$ (3,213,847)	\$ (5,000,837)	\$ (7,543,149)	\$ (9,843,255)	\$ (6,297,723)
Business-Type Activities	4,070,860	1,667,838	851,828	5,328,970	2,134,009	3,490,676	2,433,204	2,967,638
Total Primary Government	\$ 3,388,783	\$ 12,711,111	\$ 8,312,897	\$ 2,115,123	\$ (2,866,828)	\$ (4,052,473)	\$ (7,410,051)	\$ (3,330,085)

*=The City first implemented GASB 34 in 2001 thus making it the oldest information available.

City of Canton, Ohio
Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
General Fund										
Reserved	\$ 748,509	\$ 838,116	\$ 1,044,522	\$ 1,009,423	\$ 908,877	\$ 750,688	\$ 790,012	\$ 1,265,812	\$ 692,384	\$ 640,874
Unreserved	6,947,380	8,358,711	8,067,957	9,662,068	8,292,671	8,540,085	9,306,674	12,360,556	11,304,218	4,945,953
Total General Fund	\$ 7,695,889	\$ 9,196,827	\$ 9,112,479	\$ 10,671,491	\$ 9,201,548	\$ 9,290,773	\$ 10,096,686	\$ 13,626,368	\$ 11,996,602	\$ 5,586,827
All Other										
Governmental Funds										
Reserved	\$ 10,955,266	\$ 13,060,640	\$ 10,532,025	\$ 8,967,059	\$ 12,683,479	\$ 10,820,672	\$ 9,784,826	\$ 15,591,292	\$ 12,331,318	\$ 16,549,673
Unreserved, reported in:										
Special Revenue										
Funds	3,806,492	4,742,049	1,633,424	2,111,575	2,009,268	2,206,052	2,460,107	1,870,544	(2,076,962)	4,289,279
Capital Projects										
Funds	10,284,524	8,878,112	15,670,214	2,714,187	1,260,394	2,442,560	4,029,681	4,899,720	4,049,784	3,584,711
Debt Service Funds	6,239	6,239	141,751	3,019	3,019	21,540	21,540	21,540	21,540	254,714
Total All Other	\$ 25,052,521	\$ 26,687,040	\$ 27,977,414	\$ 13,795,840	\$ 15,956,160	\$ 15,490,824	\$ 16,296,154	\$ 22,383,096	\$ 14,325,680	\$ 24,678,377
Governmental Funds										

City of Canton, Ohio
Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	2008	2007	2006	2005	2004
Revenues					
Property and Other Taxes	\$ 4,385,206	\$ 4,010,683	\$ 3,610,790	\$ 3,277,108	\$ 3,365,270
Municipal Income Tax	44,532,380	44,556,112	43,084,333	41,602,373	39,412,489
Charges for Services	10,613,296	10,878,541	10,325,731	9,575,642	8,912,605
Licenses, Permits, and Fees	1,548,479	1,161,430	1,274,175	1,390,410	1,763,050
Fines and Forfeitures	1,001,384	1,582,608	412,659	447,482	684,146
Intergovernmental (1)	10,378,440	11,375,148	10,414,121	10,276,283	9,917,733
Interest	1,592,671	3,187,667	2,048,038	1,242,630	527,075
Operating Grants and Contributions (1)	6,054,006	8,091,451	9,108,680	8,873,767	8,418,812
Capital Grants and Contributions (1)	3,635,597	5,065,148	1,517,020	2,004,520	1,131,680
Rentals	413,470	452,450	425,220	395,741	240,364
Other	1,293,285	2,692,726	3,033,021	1,575,116	1,308,413
Total Revenues	85,448,214	93,053,964	85,253,788	80,661,072	75,681,637
Expenditures					
General Government	18,576,448	20,015,769	20,031,972	17,522,987	15,863,178
Security of Persons and Property	37,208,163	36,419,061	34,117,057	31,771,722	31,834,597
Public Health	6,005,406	6,052,678	5,513,038	5,233,094	4,834,353
Transportation	4,170,057	4,447,301	3,467,363	3,388,270	3,190,067
Community Environment	4,862,896	6,613,047	6,623,411	7,858,937	6,537,550
Leisure Time Activities	2,290,022	2,531,251	2,383,428	2,414,290	1,945,545
Capital Outlay	11,554,194	13,986,290	10,616,931	9,765,750	7,546,563
Debt Service:					
Principal	3,166,213	3,672,211	2,731,941	2,978,916	2,846,457
Interest and Fiscal Charges	1,154,014	1,259,708	852,785	923,542	1,140,758
Total Expenditures	88,987,413	94,997,316	86,337,926	81,857,508	75,739,068
Excess of Revenues Over (Under) Expenditures	(3,539,199)	(1,943,352)	(1,084,138)	(1,196,436)	(57,431)
Other Financing Sources (Uses)					
Proceeds from Sale of Capital Assets	54,166	54,020	652,505	34,849	364,314
Payment to Police and Fire Pension	-	-	-	-	-
Bond Issuance Costs	-	-	(236,199)	-	-
Bond Premiums	-	-	236,199	-	-
Issuance of Debt/Capital Lease	360,534	643,788	13,350,000	245,611	237,935
Transfers In	40,000	62,776	55,000	100,783	78,377
Transfers Out	(40,000)	(62,776)	(55,000)	(100,783)	(78,377)
Total Other Financing Sources (Uses)	414,700	697,808	14,002,505	280,460	602,249
Net Change in Fund Balances	\$ (3,124,499)	\$ (1,245,544)	\$ 12,918,367	\$ (915,976)	\$ 544,818
<i>Debt Service as a Percentage of Noncapital Expenditures</i>	5.43%	5.87%	4.61%	5.27%	5.74%

(1) Operating and Capital Grants were not reported separately from intergovernmental revenue until 2001

(continued)

City of Canton, Ohio
Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)-continued

	2003	2002	2001	2000	1999
Revenues					
Property and Other Taxes	\$ 3,796,530	\$ 1,798,881	\$ 4,388,193	\$ 2,401,232	\$ 2,254,280
Municipal Income Tax	37,675,217	37,994,777	39,865,721	36,636,782	36,724,553
Charges for Services	8,543,008	8,056,371	7,136,779	7,424,259	7,209,402
Licenses, Permits, and Fees	1,304,683	1,075,767	1,094,256	1,119,591	869,806
Fines and Forfeitures	865,628	640,344	563,440	583,792	674,756
Intergovernmental (1)	9,198,241	10,958,112	12,365,535	21,083,678	21,224,994
Interest	475,363	912,257	2,453,323	2,209,972	3,210,336
Operating Grants and Contributions (1)	6,537,512	8,073,254	9,039,142	168,162	57,133
Capital Grants and Contributions (1)	865,422	1,244,749	34,300	-	-
Rentals	197,605	172,880	310,190	157,555	147,685
Other	1,468,410	1,891,633	2,046,065	768,959	246,703
Total Revenues	<u>70,927,619</u>	<u>72,819,025</u>	<u>79,296,944</u>	<u>72,553,982</u>	<u>72,619,648</u>
Expenditures					
General Government	15,087,910	16,786,625	18,123,377	15,094,284	15,400,997
Security of Persons and Property	31,208,197	32,844,347	32,859,014	31,022,880	30,466,841
Public Health	4,705,880	4,406,174	4,110,072	3,865,933	3,771,963
Transportation	3,073,759	3,672,284	3,851,048	3,903,035	3,846,145
Community Environment	4,988,427	6,597,736	7,652,400	5,723,281	5,852,892
Leisure Time Activities	1,909,681	2,306,005	2,355,592	2,155,148	2,527,589
Capital Outlay	7,708,011	13,646,316	8,252,011	8,608,103	19,415,297
Debt Service:					
Principal	2,678,898	2,636,815	3,051,820	6,570,000	6,158,168
Interest and Fiscal Charges	1,252,757	1,416,115	1,308,012	1,586,624	1,418,736
Total Expenditures	<u>72,613,520</u>	<u>84,312,417</u>	<u>81,563,346</u>	<u>78,529,288</u>	<u>88,858,628</u>
Excess of Revenues Over (Under) Expenditures	(1,685,901)	(11,493,392)	(2,266,402)	(5,975,306)	(16,238,980)
Other Financing Sources (Uses)					
Proceeds from Sale of Capital Assets	33,955	513,021	594,847	93,933	207,971
Payment to Police and Fire Pension	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-
Bond Premiums	-	-	-	-	-
Issuance of Debt	197,266	-	5,670,347	1,857,235	12,960,000
Transfers In	55,000	7,113,205	6,193,051	10,221,280	3,862,565
Transfers Out	(55,000)	(5,761,399)	(5,367,163)	(10,221,280)	(3,862,565)
Total Other Financing Sources (Uses)	<u>231,221</u>	<u>1,864,827</u>	<u>7,091,082</u>	<u>1,951,168</u>	<u>13,167,971</u>
Net Change in Fund Balances	<u>\$ (1,454,680)</u>	<u>\$ (9,628,565)</u>	<u>\$ 4,824,680</u>	<u>\$ (4,024,138)</u>	<u>\$ (3,071,009)</u>
<i>Debt Service as a Percentage of Noncapital Expenditures</i>	5.81%	5.71%	5.94%	11.40%	10.45%

(1) Operating and Capital Grants were not reported separately from intergovernmental revenue until 2001

City of Canton, Ohio
Income Tax Revenue Base and Collections
Last Ten Years
(cash basis of accounting)

Tax Year	Tax Rate *	Total Tax Collected	Percentage of Taxes from		Percentage of Taxes from		Percentage of Taxes from		Percentage of Taxes from		Percentage of Taxes from Delinquent Accounts
			Taxes from Withholding	82.49 %	Taxes from Corporations	8.84 %	Taxes from Individuals	5.57 %	Taxes From Delinquent Accounts	3.10 %	
2008	2.00 %	\$ 45,535,181	\$ 37,560,808				\$ 2,534,879		\$ 1,412,172		
2007	2.00	45,750,000	36,943,041	80.75	4,946,090	10.81	2,503,996	5.47	1,356,873	2.97	
2006	2.00	43,790,171	36,222,083	82.72	3,798,488	8.67	2,401,463	5.48	1,368,137	3.12	
2005	2.00	42,124,201	34,617,380	82.18	3,152,772	7.48	2,649,296	6.29	1,704,753	4.05	
2004	2.00	38,841,304	32,302,994	83.17	1,751,090	4.51	2,671,442	6.88	2,115,778	5.45	
2003	2.00	39,077,338	32,998,125	84.44	1,971,188	5.04	2,777,089	7.11	1,330,936	3.41	
2002	2.00	39,388,494	33,149,784	84.16	2,109,187	5.35	3,012,244	7.65	1,117,279	2.84	
2001	2.00	39,760,207	33,304,873	83.76	2,070,375	5.21	3,104,528	7.81	1,280,431	3.22	
2000	2.00	37,753,345	31,759,298	84.12	1,796,264	4.76	3,031,718	8.03	1,166,065	3.09	
1999	2.00	37,556,061	30,201,855	80.42	2,676,172	7.13	3,079,030	8.20	1,599,004	4.26	

* = Rates may only be raised by obtaining the approval of a majority of the voters at a public election.

City of Canton, Ohio
Income Tax Filers by Income Level
Tax Years 2008 and 2000 (1)

Tax Year 2008				
Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
Over \$100,000	676	2.20 %	\$ 106,523,041	14.36 %
\$75,001-\$100,000	975	3.16	83,318,401	11.24
\$50,001-\$75,000	2,697	8.77	163,571,452	22.06
\$25,001-\$50,000	6,650	21.62	236,319,462	31.87
Under \$25,000	19,763	64.25	151,824,925	20.47
Total	30,761	100.00	\$ 741,557,281	100.00

Tax Year 2000				
Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
Over \$100,000	513	1.58 %	\$ 85,850,795	11.10 %
\$75,001-\$100,000	734	2.27	62,523,599	8.08
\$50,001-\$75,000	2,641	8.15	158,207,661	20.46
\$25,000-\$50,000	7,811	24.12	279,186,293	36.10
Under \$25,000	20,688	63.88	187,644,599	24.26
Total	32,387	100.00	\$ 773,412,947	100.00

(1) Earliest information available

(2) Source: City of Canton Income Tax Department

City of Canton, Ohio
Ratios of Outstanding Debt by Type
Last Ten Years

	Governmental Activities					Business-Type Activities					Percent of Personal Income	Pop. (1) %	Per Capita \$642
	General Obligation Bonds	Loans	Notes Payable	Legal Claims	Capital Lease	General Obligation Bonds	Loans	Capital Lease	Total Primary Government	Total Personal Income			
2008	\$21,656,948	\$2,568,042	\$ -	\$121,900	\$465,455	\$7,857,538	\$17,569,394	\$36,339	\$50,275,616	2,004,784,350	2.51	78,319	
2007	23,865,120	3,115,974	-	149,500	515,030	10,294,366	16,982,328	48,450	54,970,768	1,972,351,850	2.79	78,924	
2006	26,865,000	3,659,547	-	177,100	-	12,735,000	16,131,342	-	59,567,989	1,931,177,300	3.08	79,478	
2005	15,710,000	4,196,488	-	204,700	-	12,335,000	17,663,967	-	50,110,155	1,863,333,800	2.69	79,478	
2004	18,120,000	4,519,793	-	232,300	-	14,480,000	19,502,793	-	56,854,886	1,748,721,800	3.25	79,946	
2003	20,420,000	4,828,315	-	259,900	-	16,555,000	20,976,695	-	63,039,910	1,788,760,700	3.52	80,243	
2002	22,580,000	5,149,947	-	287,500	-	18,570,000	19,940,180	-	66,527,627	1,808,101,400	3.68	80,369	
2001	24,700,000	5,666,762	-	390,100	-	20,430,000	16,435,764	-	67,622,626	1,820,470,050	3.71	80,604	
2000	20,785,000	7,869,888	-	506,200	-	22,090,000	18,174,113	-	69,425,201	1,739,550,800	3.99	80,806	
1999	22,395,000	6,948,595	4,625,000	-	-	23,690,000	18,319,480	-	75,978,075	1,664,044,250	4.57	78,582	

(1) Source: US Census Bureau. The 2007 estimate was the most recent information available at the time of printing.

City of Canton, Ohio
Ratios of General Bonded Debt Outstanding
Last Ten Years

	General Obligation Bonds (1)	Estimated True Value of Taxable Property (2)	Ratio of Net Bonded Debt to Estimated True Value of Taxable Property	Net Bonded Debt per Capita
2008	\$ 21,656,948	\$ 3,519,099,073	0.62 %	\$ 276.52
2007	23,865,120	3,584,977,264	0.67	302.38
2006	26,865,000	3,276,005,877	0.82	338.02
2005	15,710,000	3,253,043,207	0.48	197.66
2004	18,120,000	3,178,195,614	0.57	226.65
2003	20,420,000	2,930,018,677	0.70	254.48
2002	22,580,000	3,121,013,277	0.72	280.95
2001	24,700,000	3,026,159,601	0.82	306.44
2000	20,785,000	2,613,861,089	0.80	257.22
1999	22,395,000	2,595,700,311	0.86	284.99

(1) Includes general obligation bonds except for those payable from enterprise funds

(2) Source: Stark County Auditor's Office

City of Canton, Ohio
Direct and Overlapping Government Activities Debt
As of December 31, 2008

	General Obligation Debt Outstanding (1)	Percentage Applicable to City (2)	Amount Applicable to City of Canton
Direct			
City of Canton	\$ 21,656,948	100.00%	\$ 21,656,948
Overlapping Debt			
Stark County	-	13.29%	-
Canton City Schools	45,061,000	92.41%	41,640,870
Plain Local Schools	57,544,137	21.92%	12,613,675
Total Overlapping Debt	<u>102,605,137</u>		<u>54,254,545</u>
Total	<u>\$ 124,262,085</u>		<u>\$ 75,911,493</u>

Source: Stark County, Ohio ; County Auditor

(1) Includes general obligation bonds except for those payable from enterprise funds

(2) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the City by the assessed valuation of the political subdivision.

City of Canton, Ohio
Legal Debt Margin Information
Last Ten Years

	2008	2007	2006	2005	2004	2003
Overall Debt Limitation (10.5% of Assessed Valuation)	\$ 104,291,997	\$ 110,800,481	\$ 106,126,404	\$ 109,151,590	\$ 106,935,582	\$ 97,338,180
Net Debt Within 10.5% Limitations	<u>17,573,728</u>	<u>19,461,900</u>	<u>21,976,356</u>	<u>10,710,000</u>	<u>12,835,000</u>	<u>14,841,477</u>
Overall Legal Debt Margin Within 10.5% Limitations	<u>\$ 86,718,269</u>	<u>\$ 91,338,581</u>	<u>\$ 84,150,048</u>	<u>\$ 98,441,590</u>	<u>\$ 94,100,582</u>	<u>\$ 82,496,703</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	16.85%	17.56%	20.71%	9.81%	12.00%	15.25%
Unvoted Debt Limitation (5.5% of Assessed Valuation)	\$ 54,629,141	\$ 58,038,347	\$ 55,590,021	\$ 57,174,642	\$ 56,013,876	\$ 50,986,666
Net Debt Within 5.5% Limitations	<u>17,573,728</u>	<u>19,461,900</u>	<u>21,976,356</u>	<u>10,710,000</u>	<u>12,835,000</u>	<u>14,841,477</u>
Unvoted Legal Debt Margin Within 5.5% Limitations	<u>\$ 37,055,413</u>	<u>\$ 38,576,447</u>	<u>\$ 33,613,665</u>	<u>\$ 46,464,642</u>	<u>\$ 43,178,876</u>	<u>\$ 36,145,189</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	32.17%	33.53%	39.53%	18.73%	22.91%	29.11%

Note: Under State of Ohio finance law, the City of Canton's outstanding general obligation debt should not exceed 10.5% of total assessed property value. In addition, the outstanding general obligation debt net voted debt should not exceed 5.5% of total assessed property value. By law, the general obligation debt subject to the limitation is offset by amounts set aside for repaying general obligation bonds.

<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
\$ 102,180,167	\$ 104,920,357	\$ 90,852,901	\$ 90,718,553
<u>22,561,477</u>	<u>24,681,477</u>	<u>20,763,460</u>	<u>26,765,286</u>
<u><u>\$ 79,618,690</u></u>	<u><u>\$ 80,238,880</u></u>	<u><u>\$ 70,089,441</u></u>	<u><u>\$ 63,953,267</u></u>
22.08%	23.52%	22.85%	29.50%
\$ 53,522,945	\$ 54,958,282	\$ 47,589,615	\$ 47,519,242
<u>22,561,477</u>	<u>24,681,477</u>	<u>20,763,460</u>	<u>26,765,286</u>
<u><u>\$ 30,961,468</u></u>	<u><u>\$ 30,276,805</u></u>	<u><u>\$ 26,826,155</u></u>	<u><u>\$ 20,753,956</u></u>
42.15%	44.91%	43.63%	56.33%

City of Canton, Ohio
Computation of Legal Debt Margin
As of December 31, 2008

Total Assessed Property Value	<u>\$ 993,257,116</u>
Overall Debt Limitation (10 1/2 % of Assessed Valuation)	<u>\$ 104,291,997</u>
Gross Indebtedness	50,153,716
Less: Enterprise Funds' Bonds	(7,857,538)
Pension Refunding Bonds	(4,080,000)
OWDA Loans	(17,470,497)
OPWC Loan	(587,580)
HUD Loan	(310,000)
SIB Loan	(843,682)
Millennium Parking Deck	(925,677)
Capital Lease	(501,794)
Debt Service Fund Balance	<u>(3,220)</u>
Net Debt Within 10 1/2 % Limitations	<u>17,573,728</u>
Legal Debt Margin Within 10 1/2 % Limitations	<u>\$ 86,718,269</u>
Unvoted Debt Limitation (5 1/2 % of Assessed Valuation)	\$ 54,629,141
Gross Indebtedness	50,153,716
Less: Enterprise Funds' Bonds	(7,857,538)
Pension Refunding Bonds	(4,080,000)
OWDA Loans	(17,470,497)
OPWC Loan	(587,580)
HUD Loan	(310,000)
SIB Loan	(843,682)
Millennium Parking Deck	(925,677)
Capital Lease	(501,794)
Debt Service Fund Balance	<u>(3,220)</u>
Net Debt Within 5 1/2 % Limitations	<u>17,573,728</u>
Legal Debt Margin Within 5 1/2 % Limitations	<u>\$ 37,055,413</u>
Source: Stark County, Ohio: County Auditor	

City of Canton, Ohio
Pledged Revenue Coverage-Water
Last Ten Years

Year	Water Operating Revenues	Water Operating Expenses (1)	Net Available Revenues	Debt Service (2)		Coverage
				Principal	Interest	
2008	\$ 12,803,465	\$ 8,718,793	\$ 4,084,672	\$ 536,889	\$ 303,144	4.86
2007	12,636,294	8,523,683	4,112,611	454,831	260,446	5.75
2006	11,949,721	9,098,828	2,850,893	400,767	244,735	4.42
2005	11,638,498	7,212,194	4,426,304	381,700	263,803	6.86
2004	11,590,939	6,712,965	4,877,974	351,007	274,182	7.80
2003	11,473,063	6,826,676	4,646,387	329,557	288,012	7.52
2002	11,663,776	8,797,197	2,866,579	115,822	95,803	13.55
2001	11,994,325	8,174,684	3,819,641	679,600	89,900	4.96
2000	10,312,930	6,294,935	4,017,995	606,588	122,423	5.51
1999	8,504,751	7,110,331	1,394,420	539,220	149,301	2.03

(1) Direct operating expenses do not include depreciation expense.

(2) Revenue debt only includes OWDA loans payable solely from net revenues in the water enterprise fund.

City of Canton, Ohio
Pledged Revenue Coverage-Sewer
Last Ten Years

Year	Sewer Operating Revenues	Sewer Operating Expenses (1)	Net Available Revenues	Debt Service (2)		Coverage
				Principal	Interest	
2008	\$ 11,087,091	\$ 7,551,028	\$ 3,536,063	\$ 766,440	\$ 269,098	3.41
2007	10,603,629	8,768,381	1,835,248	1,162,952	298,256	1.26
2006	10,682,423	7,768,104	2,914,319	1,131,858	329,885	1.99
2005	10,913,729	7,091,988	3,821,741	1,457,126	372,734	2.09
2004	11,164,680	6,881,006	4,283,674	1,372,546	395,904	2.42
2003	11,081,552	7,069,693	4,011,859	1,373,083	468,593	2.18
2002	11,245,738	7,324,071	3,921,667	969,387	440,054	2.78
2001	10,086,502	6,397,955	3,688,547	1,163,418	200,947	2.70
2000	9,267,633	5,324,968	3,942,665	1,326,877	156,981	2.66
1999	7,927,167	4,329,244	3,597,923	949,728	159,162	3.24

(1) Direct operating expenses do not include depreciation expense.

(2) Revenue debt only includes OWDA and OPWC loans payable solely from net revenues in the sewer enterprise fund.

City of Canton, Ohio
Demographic and Economic Statistics
Last Ten Years

	<u>Population (1)</u>	<u>Total Personal Income</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>
2008	78,319	\$ 2,004,784,350	\$ 25,598	6.9%
2007	78,924	1,972,351,850	24,991	5.9
2006	79,478	1,931,177,300	24,298	5.6
2005	79,478	1,863,333,800	23,445	6.4
2004	79,946	1,748,721,800	21,874	6.6
2003	80,243	1,788,760,700	22,292	6.8
2002	80,369	1,808,101,400	22,497	5.6
2001	80,604	1,820,470,050	22,585	6.4
2000	80,806	1,739,550,800	21,527	6.6
1999	78,582	1,664,044,250	21,176	7.1

(1) Source: US Census Bureau.

City of Canton, Ohio
Principal Employers
Current Year and Nine Years Ago

2008

Employer	Nature of Activity	Employees	Percentage of Total City Employment	
Aultman Hospital	Health Service	5,258	17.09	%
Stark County	County Government	2,793	9.08	
Mercy Medical Center	Health Service	2,676	8.70	
The Timken Co.	Tapered roller bearings and steel	2,443	7.94	
Canton City School District	Education	1,926	6.26	
City of Canton	Municipal Government	1,100	3.58	
Fresh Mark Inc.	Meat Processing	800	2.60	
Nationwide Insurance	Insurance Provider	720	2.34	
United States Postal Service	Federal Government	466	1.51	
Republic Engineered Steels, Inc.	Hot-rolled and cold finished steel bars and specialty steels	192	0.62	
Total		18,374	59.72	
Total Employment within the City		30,761		

1999

Employer	Nature of Activity	Employees	Percentage of Total City Employment	
The Timken Company	Tapered roller bearings and steel	4,618	13.21	%
Stark County	County government	2,762	7.90	
Aultman Hospital	Health Services	2,484	7.10	
Mercy Medical Center	Health Services	1,700	4.86	
Canton City School District	Education	1,600	4.58	
City of Canton	Municipal government	1,052	3.01	
Diebold, Inc.	Bank security and systems equipment	991	2.83	
Republic Engineered Steels, Inc.	Hot-rolled and cold finished steel bars and specialty steels	900	2.57	
Fresh Mark Inc.	Meat processing	850	2.43	
Nationwide Insurance	Insurance Provider	625	1.79	
Total		17,582	50.28	
Total Employment within the City		34,970		

Source: Survey of Employers performed by City Community Development Department
and City Income Tax Department

City of Canton, Ohio
Full-Time Equivalent City Government Employees by Function/Program
Last Nine Years (1)

Function/Program	2008	2007	2006	2005	2004	2003	2002	2001	2000
Governmental Employees									
General Government	193	194	196	187	193	193	197	219	221
Security of Persons and Property	434	428	423	400	407	416	424	462	464
Public Health	53	52	51	53	50	51	53	52	53
Transportation	49	50	44	42	43	44	50	60	60
Community Development	22	17	18	20	22	23	22	25	25
Leisure Time Activities	27	27	26	28	26	23	26	36	38
Total Governmental Employees	778	768	758	730	741	750	772	854	861
Business-Type Employees									
Water	96	101	97	97	94	89	93	93	84
Sewer	79	79	76	76	76	75	68	70	69
Refuse	58	58	59	58	59	57	54	56	56
Total Business-Type Employees	233	238	232	231	229	221	215	219	209
Total Employees	1,011	1,006	990	961	970	971	987	1,073	1,070

Method: Part-time and seasonal employees are not included

(1) Earliest information available

Source: City of Canton Auditor's Office

City of Canton, Ohio
Capital Assets Statistics by Function/Program
Last Eight Years (1)

Function/Program	2008	2007	2006	2005	2004	2003	2002	2001
General Government								
Departmental Vehicles	23	24	21	18	16	16	20	18
Security of Persons and Property								
Police Stations	5	5	5	5	4	3	3	3
Police Department Vehicles	110	124	124	85	87	89	110	107
Fire Stations	8	8	8	8	8	9	9	9
Fire Department Vehicles	37	39	36	32	30	30	33	32
Intersections with Traffic Lights	227	228	230	232	231	230	230	230
Traffic Department Vehicles	20	29	23	21	21	20	19	21
Public Health								
Departmental Vehicles	14	23	24	22	18	18	17	12
Transportation								
Area (in square miles)	25.40	25.40	25.30	23.94	23.94	23.29	20.99	20.99
Miles of Streets	413.83	413.87	411.39	412.19	409.50	408.96	405.79	405.39
Bridges	23	23	23	23	23	23	23	23
Miles of Storm Sewers	214.33	214.09	211.92	211.70	209.40	209.40	208.82	205.60
Departmental Vehicles	110	124	116	114	108	114	119	124
Leisure Time Activities								
Number of Parks	61	61	61	60	60	60	60	60
Park Acreage	800	710	710	700	700	700	700	700
Number of Shelters	22	22	21	21	21	21	21	21
Number of Baseball Fields	43	43	42	43	43	43	43	43
Walking Tracks	4	4	4	4	4	4	4	4
Walking Bridges	14	14	13	13	13	13	13	13
Play Equipment Sets	36	36	35	35	35	34	34	34
Restrooms	19	19	19	19	19	19	19	19
Number of Tennis Courts	8	8	8	8	8	8	7	7
Swimming Pools	0	0	1	1	1	1	1	1
Community Centers	1	1	1	1	1	1	2	2
Departmental Vehicles	44	46	47	46	43	43	45	41
Water								
Miles of Water Mains	658.68	655.89	651.36	649.58	646.27	642.32	632.34	609.63
Water Treatment Plants	3	3	3	3	3	3	3	3
Maximum Daily Capacity in Gallons (in millions)	39,000	39,000	39,000	39,000	39,000	40,800	40,800	40,800
Number of Fire Hydrants	3,243	3,212	3,163	3,141	3,094	3,063	3,002	2,739
Departmental Vehicles	59	60	56	60	58	60	62	64
Sewer								
Miles of Sanitary Sewers	360.10	359.70	357.51	357.26	357.08	356.27	355.95	352.98
Sewer Treatment Plants	1	1	1	1	1	1	1	1
Maximum Daily Capacity in Gallons (in millions)								
Wet Weather	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000
Dry Weather	39,000	39,000	39,000	39,000	39,000	39,000	39,000	39,000
Departmental Vehicles	59	59	47	40	30	30	27	28
Refuse								
Departmental Vehicles	28	37	35	32	30	31	33	33

(1) Earliest information available

Source: Various City of Canton Departments

City of Canton, Ohio
Operating Indicators by Function/Program
Last Eight Years (1)

Function/Program	2008	2007	2006	2005	2004	2003	2002	2001
General Government								
Auditor								
Purchase Orders Issued	6,811	7,141	6,787	6,551	6,440	6,078	6,438	7,354
Checks Issued	17,513	18,195	18,545	19,735	16,780	16,256	17,764	18,637
Payroll Checks Issued	31,847	30,540	29,844	30,401	33,796	30,424	33,008	34,149
Civil Service								
Tests Administered	21	13	18	17	13	15	15	17
Courts								
Cases Heard	32,201	36,014	34,457	30,730	29,351	31,444	32,824	32,803
Trials Held	208	218	270	256	234	234	218	222
Probation Cases	513	388	413	354	393	294	383	332
Community Service								
Cases	2,416	2,494	2,197	2,488	2,510	2,689	3,017	3,190
House Arrest Cases	694	155	164	292	243	489	616	351
Income Tax								
Refunds Issued	5,034	4,857	5,073	5,574	5,332	5,922	5,793	5,119
Tax Booklets Mailed	34,258	36,347	35,091	34,884	35,089	35,365	34,672	35,961
Law Department								
Claims	216	180	131	276	282	236	155	196
Trials Conducted	116	121	143	112	93	102	124	110
Pretrials Conducted	7,719	8,102	7,401	6,515	7,092	7,182	8,077	8,071
Prosecutor Hearings	151	307	297	278	411	626	643	689
Criminal Intakes	2,188	1,987	2,086	2,468	2,306	2,400	2,904	2,961
Security of Persons and Property								
Code Enforcement								
Building Permits Issued	2,449	1,364	4,715	5,506	5,415	1,469	1,450	4,393
Building Permits Estimated								
Value (in millions)	\$ 59,247	\$ 90,644	\$ 103,290	\$ 174,606	\$ 122,004	\$ 104,411	\$ 86,955	\$ 60,784
Police								
Physical Arrests	5,228	5,218	4,620	4,964	4,758	4,606	4,368	3,155
Traffic Violations	6,189	6,429	8,638	5,971	7,287	5,212	7,230	7,263
Parking Violations	9,966	10,188	8,000	14,949	19,282	18,523	22,771	24,324
Fire								
Calls Answered	12,952	15,904	10,475	5,639	14,467	14,376	13,666	12,494
Inspections Conducted	2,295	2,295	728	2,380	6,070	2,758	3,191	3,302
Public Health								
Birth Certificates Issued	16,136	20,653	18,442	16,673	16,854	17,294	19,754	19,146
Death Certificates Issued	10,040	9,321	9,572	10,180	10,661	11,653	11,819	12,362
Nursing								
Home Vists	350	267	49	62	112	114	160	151
Air Pollution Complaints								
Investigated	222	486	1,999	222	339	257	384	327
Food Service Inspections	926	1,429	966	1,319	1,193	1,296	1,440	1,251
Transportation								
Road Salt Expense	\$ 630,012	\$ 353,321	\$ 456,317	\$ 366,801	\$ 496,357	\$ 445,584	\$ 404,192	\$ 302,324

City of Canton, Ohio
Operating Indicators by Function/Program
Last Eight Years (1)

Function/Program	2008	2007	2006	2005	2004	2003	2002	2001
Community Development								
Redevelopment Loans	12	30	36	33	18	8	8	6
Business Sub-Grants	3	2	3	7	6	2	6	1
Leisure Time Activities								
Shelter Permits Issued	371	481	470	534	592	604	N/A	N/A
Water								
Number of Service Connections	44,200	44,152	43,961	43,777	43,285	42,878	42,495	41,404
Daily Average Consumption in Gallons (in millions)	23,660	22,475	21,763	22,468	22,151	22,577	22,226	22,305
Sewer								
Number of Active Sewer Accounts	27,274	28,354	27,624	28,066	28,241	33,046	28,995	28,995
Daily Average Treatment in Gallons (in millions)	29,230	28,330	30,120	30,760	33,290	31,460	26,350	25,956

(1) Earliest information available

N/A - Information is not available for these years

Source: Various City of Canton Departments